

# Binani

**BINANI INDUSTRIES LIMITED**

Annual Report 2011 - 12



## BOARD OF DIRECTORS

Mr. Braj Binani - Chairman  
 Mr. Sunil Sethy - Executive Vice Chairman & Managing Director  
 Ms. Shradha Binani - Alternate Director to Ms. Nidhi Singhania  
 [w.e.f 21.4.2012]  
 Mr. S. Padmakumar (Till 20.11.2011)  
 Dr. V. C. Shah (Till 20.11.2011)  
 Mr. A. C. Chakrabortti (Till 20.11.2011)  
 Mr. N.C.Singhal  
 Ms. Nidhi Singhania  
 Mr. Jitender Balakrishnan  
 Mr. V.Subramanian (w.e.f. 20.11.2011)  
 Mr. Sudhakar Rao (w.e.f. 28.1.2012)

## AUDIT COMMITTEE

Mr. Jitender Balakrishnan - Chairman  
 Mr. N.C.Singhal - Member  
 Mr. V. Subramanian - Member

## CHIEF FINANCIAL OFFICER- GROUP CONTROL ACCOUNTS

Mr. R. Venkiteswaran

## CORE MANAGEMENT COMMITTEE

Mr. Braj Binani - Chairman  
 Mr. Sunil Sethy - Exec.Vice Chairman & Managing Director  
 Mr. Sushil Bhattar - Sr. Executive Director  
 Mr. Alok Agarwal - Sr. ED - Marketing and Strategy  
 Mr. P Acharya - Sr. ED & Wholetime Director (BCL)  
 Ms. Nidhi Singhania - Director  
 Ms. Shradha Binani - Alternate Director to Nidhi Singhania  
 Mr. M.K.Chattopadhyaya - Executive Director  
 (Secretary to the Committee)

## AUDITORS

Kanu Doshi Associates, Mumbai

## TERM LENDERS & BANKERS

IFCI Limited  
 EXIM Bank  
 Punjab National Bank  
 IDBI Bank Limited  
 Syndicate Bank  
 Indian Overseas Bank

## LEGAL ADVISORS

Udwadia & Udeshi  
 Mumbai  
 AZB & Partners  
 Mumbai

## REGISTERED OFFICE

37/2 Chinar Park,  
 Rajarhat, New Town Road,  
 P.O.Hatiara, Kolkata 700 157  
 (Tel: 033-40161800,32562726)

## CORPORATE OFFICE

Mercantile Chambers,  
 12, J N Heredia Marg, Ballard Estate,  
 Mumbai 400 001.(Tel.022 30263000-02)

## SUBSIDIARIES

### INDIAN

#### Binani Cement Limited (BCL)

Binanigram, Pindwara,  
 Dist. Sirohi, Rajasthan 307022

#### Binani Zinc Limited (BZL)

Binanipuram, Ernakulam, Kerala 683502

#### Goa Glass Fibre Limited (GGFL)

Colvale, Bardez, Goa 403 513

#### BT Composites Limited (BTCL)

C5 to C9, Madkaim Industrial Estate,  
 Mardol Post, Madkaim, Goa 403 404.

#### Wada Industrial Estate Limited

Wada, Dist Thane

#### Binani Energy Pvt. Limited

37/2 Chinar Park,  
 Rajarhat, New Town Road,  
 P.O.Hatiara, Kolkata 700 157

#### BIL Infratech Limited

37/2 Chinar Park, Rajarhat New Town Road,  
 P.O.Hatiara, Kolkata 700 157

### OVERSEAS

#### Sankalp Holdings Limited (SHL)

Arch.Makariou III, 229 Meliza Court,4th Floor,  
 Limassol, Cyprus.

#### CPI Binani Inc

1700 Wilkie Drive, P.O. Box 108, Winona,  
 Minnesota-55987, USA

#### Glass Fibre Holding I S a r l,

**BIL Holding II S a r l & BIL Holding III S a r l.**  
 50, Esplanade, L-9227 Diekirch, Luxembourg.

## REGISTRAR AND SHARE TRANSFER AGENTS

#### Link Intime India Pvt. Limited

C-13, Pannalal Silk Mills Compound,  
 L. B. S. Marg, Bhandup (W),  
 Mumbai - 400 078.

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the shareholders of the Company will be held at 12.30 P.M. at Rotary Sadan, 94/2 Chowringhee Road, Kolkata-700020., on Saturday the 4th August, 2012 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors' and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Braj Binani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Kanu Doshi Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors and/ or Committee thereof to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. V.Subramanian, who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director alongwith a deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company."
6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
" RESOLVED THAT Mr. Sudhakar Rao , who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director alongwith a deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company."

By order of the Board  
For Binani Industries Limited

Sunil Sethy

Executive Vice Chairman  
& Managing Director

Place : Mumbai  
Dated : 21st April 2012

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.5 & 6 of the Notice is appended hereto and forms part of this Notice.
4. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a certified copy of the resolution appointing him/her as duly authorized representative has been deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 28th July, 2012 to Saturday, the 4th August, 2012 (both days inclusive).
6. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 28th July, 2012 on the paid up capital of the Company as on 31st March, 2012. In respect of shares held in electronic form (Demat mode), the dividend will be paid to the beneficial owners position received from the depositories as at the close of 28th July, 2012.
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed / unpaid Dividends upto and inclusive of financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, II M.S.O Building, 234/4, AJC Bose Road, Kolkata - 700 020. Those members who have not encashed their dividend warrants for the financial years ended on 31st March 2006 ,31st March, 2007, 31st March 2008, 31st March,2009 ,31st March 2010 and 31st March 2011 may lodge a claim with the Company immediately failing which the balance will be transferred to the Investor Education & Protection Fund established by the Central Government on or before the dates indicated below:

Sl. No.	Year ended	Last date for claiming the amount of dividend from the Company
1.	31.3.2006	10.8.2013
2.	31.3.2007	07.8.2014
3.	31.3.2008	04.08.2015
4.	31.3.2009	07.08.2016
5.	31.3.2010	06.08.2017
6.	31.3.2011	08.08.2018

After the above dates, the Shareholders are not entitled to claim the outstanding dividend pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.

In respect of the dividend for the years ended 31.3.1996, 31.3.1997, 31.3.1998, 31.3.1999 and 31.3.2000 the balances on 27.8.2003, 2.12.2004, 25.1.2006, 21.01.2007 and 11.11.2007 respectively have been transferred to Investor Education & Protection Fund.

8. Members holding shares in identical names under different ledger folios are requested to apply for consolidation of such folios and send the relevant equity share certificates to the Company's Registrars & Share Transfer Agents.
9. **Members who are holding shares in single name are advised, in their own interest, to get the shares transferred in joint names. There is a facility available for nomination and shareholders are advised in their own interest to nominate persons for transferring the interest on those shares . Nomination form is available on request.**
10. If there are any Shareholders of the Company still holding Share Certificates of the Company with the old name Binani Zinc Limited, they should immediately write to the Registered Office of the Company asking for change of name stickers to be affixed on such Share Certificates to change the name to Binani Industries Limited indicating the number of such certificates being held. **Such Share Certificates need not be send, only the details of the Certificates are to be furnished for issue of another set of Stickers for change of name.**
11. Members who are holding shares in physical form are advised to get their physical shares dematerialized in their own interest so that they get their dividend credited into their Bank Account directly. This will not only enable them to get quicker credit of the dividend amount but also save them from facing unnecessary hardship of the dividend warrants getting lost in postal transit. Further, note that the Company's shares are traded in Stock Exchange(s) only in dematerialized form.
12. **In spite of repeated requests, some shareholders (mostly upto Folio No. 34409) are still holding certificates of Rs.100/- each. They are requested to surrender them immediately for exchange into shares of Rs.10/- each to the Registered Office of the Company.**
13. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Report and Attendance Slip duly completed to the Meeting.
14. The Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's Registrar & Share Transfer Agents: M/s. Link Intime India Pvt. Limited Unit: Binani Industries Limited, C-13, Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 078, for the purpose of service of documents under Section 53 of the Companies Act, 1956.
15. Members are requested to:
  - a) Notify promptly any change in their address and send all correspondence relating to shares including requests for transfers, change of status, change of mandate, fresh mandate etc either to the Company at its Registered office or to the Company's Registrar and Share Transfer Agents **M/s Link Intime India Pvt Limited Unit: Binani Industries Limited, C-13 Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 078, Tel.No. 022-25946970 - Fax: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in**
  - b) Notify the change in the address and change in the bank mandate to the concerned Depository Participants only if the shares are held in dematerialized form.
- c) Send their queries, if any, in respect of Annual Accounts of the Company at least 15 days in advance of the meeting at the Company's Registered office so that information can be made available at the meeting.
- d) Fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their client ID and DPID for identification of attendance at the meeting.
16. Binani Zinc Limited (BZL), a subsidiary of the Company had forwarded Physical Share Certificates to all shareholders including those who were holding shares in Dematerialised mode in the Company as on record date viz.30.4.2004 as per the scheme of arrangement for hiving off the erstwhile Zinc Division of the Company to BZL. These Shares have been issued free of cost which means the shareholders of the Company in addition to their continued shareholding in the Company have also become shareholders of BZL. Those shareholders who have not received BZL's Share Certificates are requested to contact BZL immediately. The Shares of BZL can be dematted either through National Securities Depository Limited and Central Depository Services India Limited and ISIN Number of the Company is INE310H01010. However, being unlisted the Shares of BZL cannot be traded in demat mode.
17. (i) Pursuant to the General Exemption granted by the Central Government, Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956 vide Circular No.2/2011 dated 8th February, 2011, the Board of Directors at its meeting held on 28th January, 2012, granted its consent not to attach the Director's Report, Auditors Report, Balance Sheet, Statement of Profit and Loss and Notes and Annexure thereto of the following Subsidiaries and step down Subsidiaries subject to the Company fulfilling the conditions prescribed therein.  
Binani Cement Ltd, Binani Zinc Ltd, Goa Glass Fibre Ltd, BT Composites Ltd, Wada Industrial Estate Ltd., Sankalp Holdings Ltd, Abhinav Holdings Ltd, BIL Infratech Ltd, Binani Ready Mix Concrete Ltd, CPI Binani Inc. USA, Krishna Holdings Pte. Ltd, Singapore, Shangdong Binani Rong An Cement Co. Ltd (Subsidiary of Krishna Holdings Pte Limited), Republic of China, Mukundan Holdings Ltd. BVI, Binani Cement Factory LLC, Dubai (Associate Company), Murari Holdings Ltd, BVI, Bhumi Resources (Singapore) Pvt. Ltd , Singapore, PT Angana Energy Resources , Indonesia, BC Tradelink Ltd , Tanzania, Binani Cement Factory (Mauritius) Ltd Mauritius, Binani Cement Factory (SFZ) Ltd, Sudan, Binani Cement Factory (Branch), Djibouti, Binani Cement Company Ltd, Sudan, Binani Cement Company WLL, Kuwait, Binani Cement Factory (Kenya) Limited Kenya, Binani Cement (Uganda) Ltd. Uganda, Binani Cement SARL (Djibouti), Swiss Merchandise Infrastructure Ltd, Merit Plaza Ltd, Binani Energy Pvt.Ltd, R.B.G.Minerals Inds. Ltd and BZ Minerals (Australia) Pty.Ltd, Australia. Binani Infrastructure (Mauritius) Ltd.(Wholly Owned Subsidiary of BIL Infratech), Glass Fibre Holding 1 S.a.r.l., BIL Holding II S.a.r.l, BIL Holding III S.a.r.l, 3B Fibre Glass SPRL, Belgium and 3B Fibre Glass AS, Norway.

- (ii) The Company has fulfilled the conditions (i) to (v) & (vii) of the said Circular by attaching the consolidated Financial Statement of the holding and all the Subsidiaries duly audited by the Statutory Auditors.
- (iii) The Company shall provide to the Shareholders the Annual Accounts of the aforesaid subsidiary companies and the related detailed information shall be made available to the Shareholders of the Company and that of the subsidiary companies, free of cost. A copy of the Annual Accounts of the aforesaid subsidiaries shall also be given to Shareholders free of cost on demand.
- (iv) The Annual Accounts of the Company and its Subsidiaries as above shall be kept for inspection by any shareholder in the Registered Office of the Company at 37/2, Chinar Park, Rajarhat, P.O. Hatiara, Kolkata 700 157 and Corporate Office of the Company and its Subsidiaries at Mercantile Chambers, 12 J N Heredia Marg, Ballard Estate, Mumbai 400 001 between 11.00 a.m. and 1.00 p.m. on any working day [excluding Saturdays & Sundays] upto the date of the Annual General Meeting.
- (v) The Annual Accounts of the Company and all its Subsidiaries as above have also been posted on the Company's website www.binani.com. Any shareholder may access the Company's Website for the Annual Accounts of the Company and its Subsidiaries.
18. Mr. Braj Binani, Director retires by rotation and is eligible for re-appointment at the Annual General Meeting. Mr. V.Subramanian and Mr. Sudhakar Rao, Additional Directors are being appointed as Directors at the ensuing Annual General Meeting. Brief resume of the said Directors as required under Clause 49 of the Listing Agreement are as under:

Name	Mr. Braj Binani	Mr.V.Subramanian	Mr. Sudhakar Rao
Age	54	81	62
Qualifications	B.Com (Hons)	ICWAI	Masters in Economics, Public Admin & IAS Officer(Retd.)
Expertise in specific functional area	Entrepreneurial skills in Managing multi-product multi-locational conglomerate	Finance & Accounts	Administrative and Social work
Date of appointment on the Board of the Company	5th July, 1988	20 <sup>th</sup> November, 2011	28 <sup>th</sup> January, 2012
Name (s) of other Companies in which Directorship held	Binani Cement Ltd, Binani Metals Ltd, Binani Zinc Ltd and Goa Glass Fibre Ltd.	Binani Cement Ltd., Binani Zinc Ltd, Goa Glass Fibre Ltd, Binani Metals Ltd, Wada Industrial Estate Ltd, BT Composites Ltd, Sambhaw Holdings Ltd, Merit Plaza Ltd, Swiss Merchandise Infrastructure Ltd, Vijayshree Holdings Pvt.Ltd, Suryamukhi Vintrade Pvt.Ltd., Amrit Kalash Finance Pvt.Ltd. K.B.Vyapar Pvt.Ltd. BM Retailers Pvt.Ltd. Total Composites Pvt.Ltd., and Binani Energy Pvt.Ltd.	BSE Ltd., BSE Institute Ltd, BFSI Sector Skill Council of India, L&T Infrastructure Development Projects Ltd. , Indian Oil Corpn.Ltd, CMC Ltd.Common Purpose India, Nitstone Wastemanagement Pvt.Ltd. and CMR Varalakshmi Foundation.
Name(s) of the Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	Nil	<b>Chairman:</b> Audit Committee- Binani Metals Ltd, Binani Zinc Ltd., Binani Cement Ltd. Wada Industrial Estate Ltd. and BT Composites Limited <b>Member:</b> <b>Audit Committee</b> Binani Industries Ltd, Goa Glass Fibre Ltd, <b>Investor Relations Committee:</b> Binani Industries Ltd, Binani Cement Ltd., Binani Zinc Ltd, Goa Glass Fibre Ltd and Binani Metals Ltd.	N.A
Shareholding in the Company	53,125 Equity Shares of Rs.10/- each .	Nil	Nil

## EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

### Item No.5 :

Mr. V.Subramanian was appointed as an Additional Director on the Board at the Meeting of the Board of Directors held on 20th November, 2011 . He holds office as Director upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member alongwith a deposit of Rs. 500/- proposing his appointment as a Director of the Company.

Mr. V. Subramanian, aged 81 years is a commerce graduate and Associate member of Institute of Cost and Works Accountants of India. He has more than 50 years of experience in the field of Accountancy, Taxation, Finance and Secretarial Fields. He has been in the service of Binani Industries Limited, upto 31/10/97 and retired as Executive Vice President (Corporate).

In addition to Binani Industries Limited, Mr. V.Subramanian serves on the Board of Directors of Binani Cement Ltd., Binani Zinc Ltd, Goa Glass Fibre Ltd, Binani Metals Ltd, Wada Industrial Estate Ltd, BT Composites Ltd, Sambhaw Holdings Ltd, Merit Plaza Ltd, Swiss Merchandise Infrastrusture Ltd, Vijayshree Holdings Pvt.Ltd, Suryamukhi Vintrade Pvt.Ltd., Amrit Kalash Finance Pvt.Ltd. K.B.Vyapar Pvt.Ltd. BM Retailers Pvt.Ltd. Total Composites Pvt.Ltd., and Binani Energy Pvt.Ltd.

Mr. V.Subramanian's knowledge, expertise and valuable guidance could be of immense use for the Company. Therefore, your Directors recommend appointment of Mr. V.Subramanian as Director of the Company. None of the Directors is in any way concerned or interested in this resolution except Mr.V.Subramanian to the extent of his appointment.

### Item No.6 :

Mr. Sudhakar Rao was appointed as an Additional Director on the Board at the Meeting of the Board of Directors held on 28th January, 2012 . He holds office as Director upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member alongwith a deposit of Rs.500/- proposing his appointment as a Director of the Company.

Mr. Sudhakar Rao, aged 62 years is a Retd. IAS . Mr. Sudhakar Rao joined the Indian Administrative Service in 1973. After initial postings at the field level in the State of Karnataka, he went on deputation to the Union Government as Under Secretary in the Ministry of Power, where he was closely associated with the work of the path breaking Rajyadhakshya Committee on Power. Thereafter, he was Deputy Commissioner & District Magistrate of Shimoga District during 1982 & 1983. He was on deputation to the Government of India once again after completing his district charge, and was Deputy Secretary in the Department of Economic Affairs, Ministry of Finance for two years and Director in the Prime Minister's office for two years dealing with policy matters covering social sectors. Later he was Joint Secretary in the Ministry of Power, entrusted essentially with the development of hydel power in the country

following which he was posted as Minister (Economic) in the Embassy of India in Washington for four years. On his return to the State Government in 2000, he has held various assignments, including Chairman & Managing Director of the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC), Principal Secretary, Finance; Principal Secretary, Home and Principal Secretary to the Chief Minister of Karnataka and Additional Chief Secretary & Development Commissioner and finally, Chief Secretary of Karnataka, from which post he retired from government service on 30-09-2009.

After retirement Mr. Sudhakar Rao was appointed as a Member of the Public Enterprises Selection Board (PESB), Government of India equivalent to Secretary to Government of India. He resigned from the assignment in October 2010 to pursue various interests outside the Government.

Mr. Sudhakar Rao is currently an Independent Director on the Board of Indian Oil Corporation Limited (IOC), the Bombay Stock Exchange (BSE) Ltd., L&T Infrastructure and the Computer Maintenance Corporation Limited (CMC). Mr. Sudhakar Rao is also involved with the work of several not-for-profit organizations being Chairman, BSE Institute, Chairman, Common Purpose India (which is involved with leadership training) and Chairman, BFSI Sector Skill Council of India. Mr. Sudhakar Rao is also Advisor (Strategy & Development) to the Manipal Group of institutions. He is also a Member of several not-for-profit Foundations and the Chairman of the Board of Advisors of the Bangalore School of Music.

Mr. Sudhakar Rao has a Master's Degree in Economics from the Delhi School of Economics and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University. He has taught economics both in Delhi and the US and has lectured extensively in India and abroad on the subjects of India's development and Governance. He was awarded the Karnataka Rajyotsava Award for outstanding public service in 2010.

The relevant documents under the above items are available for inspection by the members of the Company during working hours from 11.00 a.m to 1.00 p.m at the Registered Office of the Company on any working day except Saturdays and Sundays upto the date of this Meeting.

By order of the Board  
For Binani Industries Limited

Sunil Sethy

Executive Vice Chairman & Managing

Director

Place : Mumbai

Dated : 21st April, 2012.

## DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS REPORT TO THE SHAREHOLDERS

Your Directors present the Forty Ninth Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2012

### 1. FINANCIAL PERFORMANCE

(Rs. in Lakhs)

Particulars	2011-12	2010-11
Revenue from operation / other income	19,004	8,591
Profit before Depreciation, Interest, Exceptional Items, Extraordinary Items and Tax.	9,113	4,570
Depreciation and amortization expenses	65	40
Profit before Interest, Exceptional Items, Extraordinary Items and Tax.	9,048	4,530
Interest and Financial Charges	10,672	3,384
Profit / (Loss) before Exceptional items, Extraordinary items and Tax	(1,624)	1,146
Exceptional Items	3,627	-
Profit before Extraordinary items and Tax	2,003	1,146
Extraordinary Items	-	-
Profit before Tax	2,003	1,146
Tax	(634)	-
Profit after Tax	1,368	1,146
<b>APPROPRIATIONS / ADJUSTMENTS</b>		
Transfer to General Reserve	(137)	(115)
Proposed Dividend	(888)	(888)
Tax on Dividend	(144)	NIL
(Loss) brought forward from last year	(2,940)	(3,198)
Adjusted with credit balance of General Reserve	137	115
(Loss) carried to balance sheet	(2,603)	(2,940)

Previous years' figures have been regrouped/reclassified wherever necessary.

#### 1.1 Review of Operations

The Company, being a holding Company, has no manufacturing activities. Its main source of revenue is income from Management fees for management and support services provided to all its subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex / Commodity, Risk Management, Secretarial and Legal, Purchase, Taxation, Corporate Strategy, Media Services etc. and income from Royalty for use of its Brand Logo and Trade Mark by its Subsidiaries apart from dividend from its subsidiaries.

During the year under review, the Company, as registered owner of the trade mark and logo "Binani" and "Braj Binani Group" (registered with permission from Braj Binani Family), entered into an agreement with its major operating subsidiaries for licensing of the trade mark/logo on a non exclusive basis against payment of royalty as a percentage of net turnover and the Company incurred expenditure on advertisement, brand identity, brand promotion and development exercise etc. related to all the companies under the Braj Binani Group, of which a ten percent share is being paid to the Promoters under an Agreement.

During the year under review, Company received Management Service fee from all its subsidiaries aggregating to Rs. 4,403.29 Lakhs, and Royalty for the use of Binani Logo aggregating to Rs. 9,525.53 Lakhs.

During the year under review, the Company acquired 3B Fibreglass Belgium and 3B Fibreglass Norway through its Wholly Owned Subsidiary, Glass Fibre Holding I Sarl, a Company incorporated in Luxembourg. The acquisition was financed by way of Term Loans from IDBI; Dubai Branch and Exim Bank at a cost of 275 mio Euros.

In order to consolidate its Glass Fibre business as well as to leverage on technology and product strength of 3B-Fibreglass, the Company sold 49% of its equity stake in Goa Glass Fibre Limited to Glass Fibre Holding I SARL.

The Company also sold its entire stake in Binani Ready Mix Concrete Limited to Binani Cement Limited.

The above sale of shares has resulted in gain of Rs. 3,626.70 Lakhs.

During the year, the Company earned a Net Profit of Rs. 1,368 Lakhs compared to Rs. 1,146 Lakhs in the previous years. Out of the profit of Rs. 1,368 Lakhs, Rs. 137 Lakhs has been transferred to General Reserve.



## 1.2 Future Prospects

### 1.2.1 Glass Fibre & Composite businesses

- With the integration of India Operations with Europe to leverage on synergies in marketing and the strong technology base of the European facilities, we look forward to optimizing the product portfolio to drive capacity growth in India. The Indian market for glass reinforcements is expected to maintain its healthy growth with increasing pace in the Wind Energy segment and sustained growth of the automotive sector.
- While the construction and E&E sectors in Europe are expected to record a 2% growth in 2012 and the automobile sector poised to contract marginally, the wind energy sector in Europe is expected to grow in double digits. The new range of products developed by the European SBUs for wind energy applications are expected to deliver well.
- With the projected availability of natural gas in Goa, the Company targets achieving significant reduction in energy costs which would enable the business to be more competitive.
- The US based composites producing subsidiary of the Company is looking forward to improved markets against the backdrop of the USA demonstrating signs of economic recovery. The Company's move towards integrating the Composite businesses in USA and India will help the Company focus better in this vertical.

### 1.2.2 Cement Business

#### Overseas

- The growth in cement consumption in China is expected to remain robust. With the new Clinkerisation Plant of Shandong Binani Rong'An Cement Co.Ltd. (SBRCC), which commenced operations in December 2011 now stable and operating at 90% capacity utilization with improved thermal efficiency following the successful commissioning of the new waste heat recovery system, the Company plans to keep pace with the demand by setting up a split-CGU to ramp up the cement output.
- The East African markets that have been tapped by the Company are expected to continue growing at a healthy pace fuelled by investments in Construction. As the Company's Grinding Unit in the UAE is ideally located to supply the East African markets, the Company targets a clinkerisation

facility in the Middle East either through organic or inorganic route, to feed this Grinding Unit.

#### India

- Inflationary pressures and weak Government finances are expected to adversely impact the growth of the infrastructure and housing sectors during the next Financial Year. Some recovery is expected in the latter half of the year with marginal softening of the interest rates. However, the Company believes that the long-term growth prospects of our economy are intact. The Company's growth agenda for this vertical includes continued efforts towards setting up Greenfield opportunities for Grey Cement in the western part of India.
- While energy and transportation costs are expected to continue on a higher trend and put pressure on a pricing in the near term, the Company firmly believes that the markets have the capacity to absorb cost increases in the long run. To mitigate the risks associated with energy cost and availability, the Company recognizes that investing in Captive Coal Assets is an important step. Efforts are on to identify and pursue investments in such assets from a long term perspective.
- Company has been allotted Nimbri lignite mine. A detailed techno-economic study is underway for an early exploitation of lignite.
- Binani Cement Limited is consciously improving its Pozzolana Portland Cement (PPC) share to capitalize on the perceived opportunities associated with Kyoto protocol and its CDM which can additionally bring financial benefits.
- With the acquisition of Ready Mix Concrete (RMC) business from the Company (BIL) the way forward is to leverage on the synergies and grow the business.

### 1.2.3 Zinc Business

- During the next fiscal year, the growth in domestic consumption of this metal is expected to weaken in line with the country's economic growth on account of inflationary pressures and reduced government spending. This however, is unlikely to affect the Company's output.
- The metal prices are expected to trend higher due to supply side constraints, but will witness increased volatility in the near term. This is expected to adversely impact raw material pricing in the near term.

- The long term prospects of this metal remain robust and the Company looks forward to growing this business through capacity expansions, increased focus on value-added products and strategic investments in the mining space and technology to fortify raw material security and business sustainability.

#### 1.2.4 Engineering & Project Construction business

The Company firmly believes that infrastructure will be a key driver of the country's economic growth. With a well established presence in the commodity space, a strong brand and a vast pool of talented, well trained and experienced work force, the Company looks forward to positioning itself as a strategic player in the EPC business through its recently established subsidiary BIL Infratech Ltd. The Company's move to employ modern construction methods backed by frontline technologies to be sourced through partnerships with leading overseas construction firms will aid the Company differentiate itself in this competitive space.

## 2. SUBSIDIARIES

We present below brief report on the Operations of the Company's major subsidiaries.

### 2.1. BINANI CEMENT LIMITED (BCL)

#### 2.1.1 Industry Overview

Cement demand growth has lagged GDP growth in past two years due to slowdown in real estate sector and lack of order inflows from infrastructure sector. Lower-than-expected demand coupled with incremental supplies has also resulted in declining capacity utilizations for the Companies. Sector has also witnessed continued cost pressures in terms of higher power, fuel and freight costs. However it is expected that Interest rates will soften in the coming months leading to higher demand from housing sector.

#### 2.1.2 Financial Performance

The financial performance for the year ended 31st March, 2012 is summarized below:

(Rs in Lakhs)

Particulars	2011-12	2010-11
Net Sales and other Income	2,05,668	1,74,335
Operating Costs	1,72,607	1,45,814
EBIDTA	31,810	28,521
Interest & Financial Charges	16,140	10,344
Cash Profit	15,670	18,177
Depreciation and Amortisation	10,355	9,950
Profit before Tax	5,315	8,227
Profit after Tax	4,840	9,051

#### 2.1.3 Review of Operations

The Company is continuing its efficient operating performance. During the year under review the Company has surpassed all its previous highest achievements.

The production of the cement has increased by 2.31% over 2010-11. The Company produced 55.84 Lakhs MT cement as compared to 54.58 Lakhs MT in 2010-11. During the year share of PPC increased to 40.27% of total cement production from 38.63% during 2010-11.

The sales of the cement has increased by 3.20% over the previous year sales. The Company sold 56.12 Lakhs MT of cement as against 54.38 Lakhs MT in the previous year.

Captive power generation (net) during the year under review was 3281.65 Lakhs KWh as against 3056.69 Lakhs KWh in 2010-11.

The Company's profitability could not match previous years performance in line with Industry trends, primarily because of increased cost of Fuel, Raw Materials, Power and logistics costs which the markets could not absorb fully. However, January 2012 onwards there is sign of improvement in prices resulting in improved bottom-line. Company has registered net profit (before tax) of Rs. 5,315 Lakhs as compared to Rs. 8,227 Lakhs during the year 2010-11.

#### 2.1.4 Internal Control System

The Company's internal control system provides high level of system based checks and controls commensurate with the nature and size of operations. Regular internal audits and checks ensure that responsibilities are executed efficiently. The Audit Committee of Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvement for strengthening them from time to time. The Company has a robust risk management policy in place. The internal audit report provides for a regular review of risk management.

#### 2.1.5 Opportunities/ Risks/ Threats/ Concerns

Demand for Cement in India is likely to see a recovery process and will touch levels of 6-8 percent in 2012. The increase in growth will be triggered by the government's drive to revive economic activity by initiating investment in infrastructure projects. A correction is foreseen in interest rates and improved regulation as regards land acquisition and environmental clearance leading to revival of several on-hold projects. Cement prices are likely to maintain an upward curve due to increasing production and ownership costs.

The Union Budget's focus on developing infrastructure and on affordable and rural housing should provide a boost to cement demand over the next few quarters.

Despite a strong GDP growth forecast of 8-9% in next 3-4 years, Industry is likely to see pressures on prices due to higher demand supply gap and increased cost of inputs, Fuel, and Logistics, denting the bottom-line in short to medium term.

## 2.1.6 Recognition & Rewards

During the year 2011-12 BCL was bestowed with various awards / recognitions in a wide variety of functional areas – Safety, Productivity, Quality, Employee Relations, Energy Excellence and Environment and Water Management :

## 2.1.7 Corporate Social Responsibility

The focus areas under our community development programme are broadly categorized as :

1. Development of infrastructure
2. Increase in literacy levels by imparting education to children.
3. Poverty alleviation and sustaining livelihood through employment creation and skill development.
4. Improvement of medical and health services and
5. Development and expansion of green cover in the surrounding area.

During the reporting period, the following notable additions were made to our pre-existing Community Development Programme :

- We launched a programme on 'Educating Communities on Livelihood Skills' covering four nearby villages in the initial phase.
- Skill Development: Among our programme initiatives aimed towards empowering the rural community with skills for generating livelihood, we have successfully contributed towards upliftment of rural women through setting up of training centres wherein women are provided training in tailoring with additional monetary support for purchase of sewing machines.
- Economic Sustenance: We provided assistance to the villagers, including old-age residents and widows, for opening post office pension accounts under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) scheme.
- SHGs & Savings Schemes: We assisted in the organization and operation of self-help groups across the surrounding villages. The SHG members are provided with training on aspects such as book-keeping, M.I.C. development and opening bank accounts to enable them take

control of their own finances.

- Educating Farmers: Through effective public-private partnership and in association with a non-governmental organization, we are working extensively with the local agricultural community to educate them on efficient agricultural and irrigation practices aimed at making optimal use of fertilizer and cropping patterns that can maximize the yield of their crops.
- Water Resource Development: Construction of various water harvesting and water resource development schemes such as check dams, Tanka, farm ponds, water troughs for cattle, renovation of ponds and wells in the surrounding villages.

## 2.1.8 Human Relations/ Industrial Relations

Employee / industrial relationship have been cordial during the year. We enjoy very healthy relationship with workmen and union which is authenticated by zero man day's loss due to IR problem for four consecutive years. Mutual trust and mutual understanding are neatly blended in peaceful IR culture.

Measures taken for the safety of employees' training and development continue to get top priority at all levels, which are reflected in the improved quality and efficiency.

The Company's training programmes as per TNI (Training Need Identification) and on value-based teachings enhance motivational levels among its people.

The Company aims at making every employee to contribute to their full potential in their job. To have robust relationship with employees the Company launched a communication platform named "Rubaru" (Interface) with all employees. It will be helpful in evolving a value system based on trust, transparency and fairness within the organisation.

## 2.1.9 Subsidiaries of Binani Cement Limited (BCL)

BCL's Subsidiaries and step down subsidiaries are operational in various parts of the globe. Summarised financial performance of all these subsidiaries and step down subsidiaries are given in the Annual Report of the Company as per statement attached under Section 212(3) and (5) of the Companies Act, 1956.

## 2.2. BINANI ZINC LIMITED (BZL)

### 2.2.1 Industry Overview

During 2011-12, low zinc prices on LME (Avg:\$2101) and a tight concentrate market, affected all stand-alone Smelters.

The Indian economy slowed down to 6.9%, after having grown at 8.4% in each of the two preceding years. Weakening industrial growth contributed significantly to the slowdown.

Demand for zinc grew at 7.8% during 2011-12. As per 12th Five Year Plan projections (by the Ministerial Working group) zinc demand is expected to reach 9,00,000 MT per annum i.e. (AGR of approximately 9%. Duty of 5% continues in import of zinc metal, while the basic import duty on concentrate remains @ 2.5%.

Investment opportunities are expected to continue in Power, Telecom and Infrastructure. All end use segments of zinc are expected to register high growth rates during 2012-13.

### 2.2.2 Review of Operations

(Rs in Lakhs)

Particulars	2011-12	2010-11
Net Sales & other Income	40,709	41,519
EBIDTA	714	761
Cash Profit/(Loss)	(805)	(296)
Profit/ (Loss) before Tax	(1,709)	(1,156)
Profit/ (Loss) after Tax	(1,456)	(857)

### 2.2.3 Future Plans

In line with the industry projection of market deficit by 2015-16, the Company plans to go ahead with its capacity augmentation plan to 100 KTY. Simultaneously precious metal recovery program is being implemented during the year which will contribute substantially to the bottom line. Also Various options are being evaluated for acquisition of mining assets to improve the profitability of the existing operating and to support the development Plans of the Company.

The Company will continue to focus on value added products like alloys to increase its realization. During the year 2011-12, the sale of alloys grew over 250% as compared to the previous year.

The Company has also formed an "Application Team" in the R & D department which will interact closely with present and potential customers to develop new and value added products.

### 2.2.4 Strengths/Opportunities/Threats/Risks/Concerns

Raw material availability at long-term benchmark terms, power at affordable costs and access to key market segments are the key drivers of growth. Company has drawn up plans that address all these concerns.

In the near to medium-term, significant factors will

be full-load operations, mitigating the risks of price fluctuations, ensuring 100% raw material feed and increasing market penetration of alloys.

Zinc market is bullish on LME prices and we expect prices to pick up significantly.

The Company enjoys a high level of brand equity for its products. With the focus on value adds Company's margins have been strengthened, while offering value to quality-conscious customers.

To ensure that desired blend of concentrates is available, Company has been pursuing a policy of tying up 60 – 70% of its feed through long-term tie-up with principal traders. Balance is sought to be covered through spot purchases.

### 2.2.5 Internal Controls relating to accounting system

The Company has adequate internal control systems. External agency has been appointed for periodic internal audit to the Management Systems.

### 2.2.6 Human Resource Development / Industrial Relations

Employee hiring especially, recruitment of management trainees have been done during the year. The recruitment process focused on identifying talents from tier II institutes. Pertinent to say the mixture of young minds with experience will bring BZL a facelift. Focused and well driven employee engagement initiatives have smoothened the employee relations during the period. A win-win situation in the industrial relations space in the Company is being maintained which brings healthy and productive work environment.

Safety and Environment initiatives were taken in the form of awareness programmes, competitions; training programmes etc SHE initiatives topped the agenda of the Company and its people. Our efforts in this area were recognized and Binani Zinc bagged 1 National level and 3 state level safety awards from Government of Kerala and National Safety Council during this year.

Retaining critical talent and acquiring new talent for meeting business requirements was one of the biggest challenges last year.

Focused training programmes on topics/ areas assessed were undertaken principally for knowledge and skill upgradation of operatives, Management Development, Change Management programme for specific target groups and "Seven habits of highly effective people" for selected managers. Internal trainers also played an effective role. Management Workshops on 'Personal & Professional Effectiveness' and 'Hazard and Operability

Studies rendered better results this year. Average time spent on learning & development this year rose to 4.3 man days per employee.

## 2.2.7 Corporate Social Responsibility

As part of its commitment to the society, the Company has extended support for improving health and hygiene of the local people living in and around the Company. Mainly through the launch-pad of Ghanshyam Binani Occupational Health Centre and Ghanshyam Binani Community Hall. This year also, Ghanshyam Binani Occupational Health Centre (GBHC) catered to the health care / medical advice needs of employees, their families, community around, besides rendering annual health check up service to employees of several industries around.

Further the Company is also providing need based support around the plant location focusing on education, medical and welfare. Corporate Social Responsibility at Binani Zinc has evolved in to a new shape where the participation of community living around are fully ensured.

GBHC, in partnership with Indian Medical Association and National Safety Council, conducted State Level First Aiders training programme this year; thus completing a total of 11 batches and training a total of 392 industrial employees across industries in Kerala.

GBHC serves the community, employees and their family members through Health Talks, Multi-Specialty Medical Camps and Medical Specialists' Camps. GBHC continued to be recognized as "Centre of Public Health Importance" this year also. Medical and nursing students regularly visit here and through their extension service wings, serve the community and school students.

Empowerment programmes for the children, women and the aged are regularly conducted, and annual Camps are organized focusing on the personality development of school children. Assemblages in the Pakalveedu on all Tuesdays have become an active part of the 43-odd old-aged of the community, where the meaningful presence of the Chief Medical Officer and by Company officers is cherished by the inmates.

Rotary Binani CSR award was instituted by the Company with a view of encouraging and inspiring other corporate to take up CSR activities.

This year also, Company's partnership interventions continued for the Binanipuram Government High School students, where the SSLC students bagged 100% results; thus repeating history in the sixth year in succession. The Company's association with Government Hospital, Binanipuram continued this year also.

## 2.2.8 Awards/ Recognition

The Company has won the National, Regional and State Level awards and accolades:

## 2.3. GOA GLASS FIBRE LIMITED (GGFL)

### 2.3.1 Industry Overview

During 2011-12, the Industry faced pricing pressure due to cheaper imports from China. India today is the fourth largest economy in the world and the second fastest growing market in Asia. The fiberglass demand in Indian Composites industry has increased at a rate more than twice that of the GDP growth rate, reflecting the upbeat economy and strong fundamental drives for growth. Within the composite sector again, glass fibre is the dominant reinforcement materials with 85-90% share compared to carbon, aramide and other fibres.

Major usage of fiberglass materials in Indian Composites Industry occurs in Pipe & Tank, Transportation, Wind Energy and Construction segments.

### 2.3.1 Financial Performance

(Rs in Lakhs)

Particulars	2011-12	2010-11
Gross Sales & Related Income	10,758	10,482
EBIDTA	1,266	1,273
Interest and Finance Charges	1,209	942
Cash Profit / ( Loss)	57	331
Depreciation	1,383	1,238
Extra ordinary/ Prior period item	30	182
Net Profit / (Loss) before Tax	(1,356)	(1,089)
Net Profit / (Loss) after Tax	(1,361)	(1,089)

### 2.3.2. Performance Review:

#### Operations:

During the year under review, the Company has produced 14,926 MT. Introduced a new product called "Wet used Chopped Strands" for Tissue manufacturing.

#### Sales:

During the year, Company sold 13,386 MT with a revenue of Rs. 10,758 Lakhs as compared to sales of 14,429 MT and revenue of Rs. 10,482 Lakhs in the previous year. The Finished Goods inventory at end of the year 31st March'12 is 2,386 MT.

### 2.3.3 Future Prospects

The Company focuses on optimizing the product mix with manufacture of value-added products thereby attaining flexibility in product mix. This will also maximize capacity utilization and maintain low operational cost. Also focus on improving efficiencies based on automation of certain processes.

In order to reduce Energy cost, the Company is targeting to avail benefit of Natural Gas & improving reliability of power supply systems.

Adding to above, the Company is targeting to establish direct relations with OEM customers and expand the existing Distribution Network for better coverage & economy.

### 2.3.4 Swot Analysis

- Strengths**

The Company has capability to incorporate different product mix and developing know-how on latest technologies. The Flagship product Chopped Strand Mat (CSM) of the Company continues to be well accepted in the Global Market.

- Weakness**

The Company's main weakness is the scale of operation which is small and has a limited product range with a relatively high dependency on CSM.

- Opportunities**

There are many opportunities like availability of natural gas for energy conservation, capability for brown field expansion at current location to reduce the cost of production. Tie up with OEM's providing another opportunity to the Company to increase reach and end-use of product.

- Threats**

The Major threat is appearing to be low scale of operation and high cost of production due to high fuel prices. Plants coming up in Middle East & India with large volumes.

### 2.3.5 Human Resources/ Industrial Relations

Industrial relations continued to be harmonious with the active participation of the Union in all the programmes. Long term settlements are in progress by healthy &

amicable discussions. Various training programmes were identified in technical and behavioral trades as an employee development initiative.

As a part of corporate social responsibility, educational program with respect to safety, health and environment was organized in nearby village Colvale where we also conducted free medical camps.

## 2.4. BT COMPOSITES LIMITED (BTCL)

### 2.4.1 Financial Performance

(Rs in Lakhs)

Particulars	2011-12	2010-11
Net Sales and Other Income	<b>598.74</b>	584.30
Profit / (Loss) before Depreciation & Amortisation and Interest	<b>(64.72)</b>	19.52
Interest and Financial charges	<b>2.40</b>	0.77
Depreciation & Amortization of Miscellaneous Expenses	<b>66.80</b>	71.80
Net Profit / (Loss) before Extraordinary Items and Tax	<b>(133.92)</b>	(53.05)
Extraordinary Items	<b>20.90</b>	224.25
Provision for Taxation	<b>0</b>	0
Net Profit / (Loss) for the year	<b>(154.82)</b>	(277.30)
Loss brought forward	<b>(1,324.34)</b>	(1,047.04)
Loss carried to Balance Sheet	<b>(1,479.16)</b>	(1,324.34)

### 2.4.2 Review of Operations

During the year under review the products manufactured by the Company were very well received in the markets. The net Sales and other Income was at Rs. 598.74 Lakhs compared to Rs.586.75 Lakhs in the previous year. During the year sales of SMC Molded Products was 317 MT as compared to 317 MT in the last year.

During the year, prices of Raw materials (mainly resins), wages have gone up steeply, but the said cost increase could not be passed on fully to our customers due to severe competition. As a result, EBIDTA for the year was at Rs. (64.72) Lakhs as compared to Rs. 19.52 Lakhs last year.

The Company has carried out various process improvements to upgrade the quality of the products. Efforts have been put in upgrading the raw material selection and testing procedures to ensure consistency and reliability of supplies. Introduction of woven roving in

water tanks further optimizes the product and effective saving of Rs 0.20 per litre is achieved.

The product optimization shall help us more competitive in export market.

## 2.4.3 Future Prospects

The Company has been able to focus on Private Construction companies and South Central Railways.

The Company has been able to achieve good result of RCC/Steel tank conversion to SMC (GRP) panel tanks in SC Railways and North Eastern Railways. Presently Company is focusing on expanding sales operations in Gulf countries where awareness of SMC (GRP) is already been established.

We are specifying our products with engineering consultants so that we can tap engineering segment, where our presence is not significant.

One of the products under development is pallet for material handling applications. Initial feedback is encouraging. We have successfully introduced SMC to cooling tower application. We are eying automotive segment/bus body builders to convert present hand-lay-up applications into SMC. We have also got reasonable success in selling chequered plates and hope to do well in this segment.

## 2.5. WADA INDUSTRIAL ESTATE LIMITED (WIEL)

### 2.5.1 Financial Performance

(Rs in Lakhs)

Particulars	2011-12	2010-11
Other Income	0.40	0.33
Loss before tax	(21.05)	(24.14)
Loss brought forward from last year	(446.06)	(421.92)
Balance Carried to Balance Sheet	(467.11)	(446.06)

The Company is evaluating options for the effective use of the land for developing it for commercial activities.

During the year under review the Company earned Income of Rs.0.40 Lakhs as compared to Income of Rs. 0.33 Lakhs earned in the previous year. During the year the Company has incurred loss of Rs. 21.05 Lakhs as compared to Loss of Rs. 24.14 Lakhs in the previous year.

## 2.6 BIL INFRA TECH LIMITED [Wholly Owned Subsidiary of BIL]

### 2.6.1 Financial Performance

(Rs in Lakhs)

Particulars	For the Financial Year 2011-12	Period from 29-07-2010 to 31.03.2011
Turnover	6,549.29	551.73
Profit/(Loss) before, Depreciation, Interest, extraordinary items and Taxation.	136.68	1.70
Provision for Depreciation	45.67	2.87
Profit/(Loss) before interest, extraordinary items and Taxation.	91.01	(1.17)
Interest and Financial Charges	42.28	1.98
Profit/(Loss) before Exceptional items and Taxation	48.73	(3.15)
Provision for Taxation including Deferred Tax	14.09	Nil
Profit/(Loss) after Tax but before extraordinary items	34.64	(3.15)
Extraordinary items	Nil	Nil
Profit/(Loss) for the year	34.64	(3.15)

### 2.6.2 Review of Operations

The Company was incorporated during the last quarter of 2010-11 with the objective of becoming one of the leading EPC Company in the Infrastructure sector.

During the year, the Company has secured nearly Rs.200 crores of outside orders besides the order for building In-house Cement and Power plants.

### 2.6.3 Future Prospects

The Company has already created alliance with a number of internationally reputed technology providers to enhance its growth rapidly.

## 2.7 BINANI READY MIX CONCRETE LIMITED[ Now Wholly Owned Subsidiary of BCL]

### 2.7.1 Financial Performance

(Rs in Lakhs)

	2011-12	2010-11
Net Sales & Other Income	1,874.62	207.01
Operating costs	2,217.56	224.77
EBIDTA	(342.94)	(17.76)
Interest & Financial Charges	--	--
Cash Profit / (Loss)	(342.94)	(17.76)
Depreciation	6.03	0.39
Profit / (Loss) before Tax	(348.97)	(18.15)
Profit / (Loss) after Tax	(348.97)	(18.15)

### 2.7.2. Performance Review

During the year under review, the Company has taken one plant on lease at Thane. Thus, the Company was servicing its customers with two plants. The sales volume for the year was 43859 Cum.

### 2.7.3. Industry Overview

During the year under review, the demand of Ready Mix Concrete (RMC) has been moderate mainly driven by real estate projects lead by housing. Due to slow down in launching Government projects and also delay in approval of various projects the demand growth has been slowed down. However, the industry demand growth in the long run remains strong.

### 2.7.4. Future Plans

The long term plan of the Company to become a pan India player remains unaltered.

The Company plans to set up 6 to 8 plants during the year 2012-13 in Western and Northern part of the country.

## 2.8. R.B.G.MINERALS INDUSTRIES LIMITED - [Wholly Owned Subsidiary of Binani Zinc Ltd.]

### 2.8.1 Review of Operations

The Company intends to develop 3 mines which are located near each other in State of Rajasthan/Gujarat. In respect of Deri and Basantgarh Mines the mining operations will commence on transfer of Ambaji Mine. As regards Ambaji Mine the mining lease has been renewed in favour of GMDC. GMDC Board and Government of Gujarat has approved the project as a Joint Venture and Mine will be transferred after approval of valuation of assets by GMDC Board which is expected by May 2012. Further the land required for all the Mines has been acquired.

## 3. DIVIDEND

In view of the overall performance, prospects and income earned during the year, your Directors recommend a dividend @30% (Rs.3/- per Equity Share of Rs.10/- each), the outgo on dividend will be Rs.888 Lakhs.

## 4. DIRECTORS

In accordance with Article 100 of the Articles of Association of the Company, Mr. Braj Binani, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommend re-appointment of Mr. Braj Binani as Director on the Board of the Company.

During the year, the Board of Directors appointed Mr. V.Subramanian and Mr. Sudhakar Rao as Additional Directors on the Board. They hold office upto the date of the ensuing Annual General Meeting. The Company has received notices from a shareholder along with a deposit of Rs.500/- each proposing the appointment of Mr. V.Subramanian and Mr. Sudhakar Rao as regular Directors at the ensuing 49th Annual General Meeting. Your Directors recommend appointment of Mr V.Subramanian and Mr. Sudhakar Rao as regular Directors on the Board of the Company.

During the year under review, Mr. S. Padmakumar, Dr. V.C.Shah and Mr. A.C. Chakrabortti retired as Directors of the Company with effect from 20th November, 2011. The Directors wish to record their appreciation for the significant and valuable contribution made by the Directors during their tenure as Directors on the Board of the Company.

Further Ms. Shradha Binani has been appointed as an Alternate Director to Ms. Nidhi Singhania.

## 5. AUDITORS' OBSERVATIONS

The management response to the Auditors observations in the Standalone and Consolidated Accounts of the Company in respect of appointment of Company Secretary is stated by way of Note No. 38 in notes to accounts which is self explanatory.

## 6. EXIT OPPORTUNITY TO THE SHAREHOLDERS OF BINANI CEMENT LIMITED(BCL)EXIT OFFER OF SHARES

Binani Cement Limited (BCL) had last year applied for delisting of the shares from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Both the Stock Exchanges have granted approval and BCL's shares have been delisted with effect from 30th May, 2011 .

The Company has consequently sent an exit offer to the remaining public shareholders to tender their shares in the exit offer. The exit offer has been open from 30th May, 2011 and shall close on 29th May, 2012. The exit offer payments are being made on fortnight settlement cycle and till 31st March, 2012 the promoters shareholding has increased to 97.49%. The offer shall close on 29th May, 2012 and thereafter there shall be no exit option for the shareholders.



## 7. AUDITORS

The Statutory Auditors, M/s. Kanu Doshi Associates, Chartered Accountants, hold office upto the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if reappointed, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment as Statutory Auditors of the Company.

## 8. SUBSIDIARY COMPANIES

The Audited Accounts of the aforesaid Companies along with the report of the Board of Directors and the Auditors Report thereon which are required to be attached with the Annual Report of the Company have not been attached as the Board of Directors have given consent not to attach the Annual Accounts of the Company's Subsidiaries and step down subsidiaries with the Annual Accounts of the Company in accordance with the Ministry of Corporate Affairs, Government of India Circular No. 2/2011 dated 8th February, 2011 under Section 212 of the Companies Act, 1956.

The Statement pursuant to Section 212 of the Companies Act 1956, relating to Company's subsidiaries and step down subsidiaries are annexed to this report.

## 9. PARTICULARS UNDER SECTION 217 OF THE COMPANIES ACT, 1956

The Statement of particulars under Section 217(1) (e) relating to Conservation of Energy and Technology Absorption and activities relating to Exports etc. are not applicable to the Company. Details of foreign exchange earnings and outgo are annexed to this report. The Statement of particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975 (as amended) is annexed herewith and form part of this report.

## 10. CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement, your Company has ensured continued compliance of Corporate Governance requirements during the Financial Year. Your Company lays strong emphasis on transparency and independent supervision to increase various Stakeholders' value.

The Report on Corporate Governance for the Financial Year 2012-2013 is given as a separate Section titled "Corporate Governance Report". As required under the said clause, a certificate from the Practicing Company Secretary, M/s. Uma Lodha & Co. has been obtained. The Certificate is appended herewith and form part of this report.

## 11. MANAGEMENT DISCUSSIONS & ANALYSIS

The Management Discussion and Analysis form part of this report.

## 12. FIXED DEPOSIT

During the year, your Company has neither invited nor accepted/renewed deposits from the public within the meaning of Sections 58A, 58AA and other applicable provisions of the Companies Act, 1956.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors state that:-

- a) in the preparation of the annual accounts, all applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- b) accounting policies as listed in Note 2 to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the Profit of the Company for the Accounting Year ended on that day;
- c) proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of this Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d) the annual accounts have been prepared on a going concern basis.

## 14. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company and its all subsidiaries have effective internal control systems which are evaluated periodically by the Internal Auditors and the systems are adequate commensurating with the operations of each of the Companies.

## 15. ACKNOWLEDGEMENT

Your Directors are pleased to acknowledge the assistance and co-operation received from the concerned departments of the State and Central Government, Financial Institutions, Banks, Customers, Selling Agents, Dealers, Distributors, Employees at all levels and the Shareholders.

For and on behalf of the Board

Mumbai  
21<sup>st</sup> April, 2012

**BRAJ BINANI**  
CHAIRMAN

## ANNEXURE TO DIRECTORS' REPORT

### Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules 1988:-

Particulars in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Activities relating to exports etc. are not applicable to the Company.

The Company has earned and used foreign exchange during the year under review. The details are given below:

FOREIGN EXCHANGE EARNED AND USED		(Rs. in Lakhs)
<b>Foreign Exchange Earnings</b>		
Sale of investment		7,585.90
Fees for management services rendered		250.54
Interest received		112.47
<b>Foreign Exchange outgo*</b>		
Royalty Expenses		952.55
Interest		569.11
Other expenses		142.92

\* Excluding Investment in and loans to overseas subsidiaries

### Statement of Particulars of Employees Under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended)

Sl. No.	Name	Age (Years)	Designation / Nature of Duties	Remuneration Received (Rs.Lakhs)	Qualification	Exp. (Year)	Date of commencement of Employment	Previous Employment	
								Post Held	Name of Previous employer
1	Alok Agarwal	58	Sr.ED(GSP)& M&A	121.47	FCA,MBA	35	9.05.2009	Director	PT.Holicim (Indonesia) Tbk
2	Amit Singha	49	Jt. President - Corporate Affairs	60.99	B.A. [Economics], Post Graduate Dip. - Foreign Trade		01.07.2000		
3	Anil Kumar Singal*	53	Jt. President - Procurement	49.99	B. E. (Mech.), GDMM, MBA (Fin. Mgmt. & Indl. Mgmt.)	32	11.07.2011	Head - Group Commodity Procurement	Ambuja Cements Ltd.
4	Badrinath Durvasula*	52	Executive Director - Legal & Secretarial	63.16	M. Sc. (Nuclear Physics), LLB,LLM, MBA - Services Mktg.	29	13.04.2011	Group Head - Corporate Affairs & Legal	United Phosphorus Limited
5	Gautam Ray	52	CFO (RMC Divn.)	78.04	CA	25	15.12.2010	CFO& Member of Board	Lafarge Aggregates & Concrete India Pvt.Ltd.
6	M.K. Chattopadhyaya	55	ED	110.11	B.Com (Hons.), FCA, FCS,LLB	30	12.7.1999	Secretary-cum-Chief Accountant	Triveni Glass Ltd. Kolkata
7	Pradeep Pande	57	ED-HR & Admin	103.41	B Sc, LLB,MLS Dip.Tra.& Dev.	33	04.11.2010	President Corporate HR	Ispat Industries Ltd, Mumbai
8	R.Venkiteswaran	57	CFO-Group Control Accounts	90.60	FCA, FICWA	32	20.09.2010	Director(Fin.)/CFO (Corp)	MFAR Group Cochin/ Chennai/ Bangalore
9	Raj K Poddar	59	Business Head - RMC/GGFL/BTCL	105.05	CA - Diploma in Material & Strategic Management	37	15.09.2010	Dy.MD	Mehta Group, Mumbai
10	Rajesh Mohan	51	Joint President-IT& Systems	69.55	B.Tech, Mechanical Engg.	25	28.05.2010	VP-Customer Care	3i Infotech Ltd, Dubai-UAE
11	Ramesh Jha*	55	President & CEO - Power	58.93	B. Tech. (Elect. Engg.), MBA - Mktg.,	31	01.08.2011	CEO (Power)	Curo India Private Limited
12	Sunil Sethy	61	Exe Vice Chairman & MD	161.65	FCA	37	10.11.2008	Corporate Director	Acme Telepower Limited
13	Sushil Bhatler	55	Sr.ED	126.90	B.E(Hons.) (Chem.)	33	1.4.2009	MD	Binani Zinc Ltd.

\*Employed for part of the year

#### Note:

- Gross Remuneration shown above is subject to tax, and comprises salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.
- The Company contributes annually towards group Gratuity Fund to LIC based upon Actuarial valuation of Liabilities determined jointly for all employees. In the absence of information related to contribution for individual employees, the specific contribution in respect of above employees is not considered.
- The nature of employment of all the employees as above are regular basis expect that of Mr. Alok Agarwal, Mr. Pradeep Pande, Mr. R. Venkiteswaran, Mr. Raj K Poddar and Mr. Sunil Sethy whose appointments are on contractual basis.
- None of the above employees are relatives of the Directors of the Company.

For and on behalf of the Board

Place : Mumbai  
Date : 21st April, 2012.

**BRAJ BINANI**  
**CHAIRMAN**

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy

Good Corporate Governance is the adoption of best business practices which ensures that the Company operates within the regulatory framework. The adoption of such Corporate Governance practices ensures accountability of the persons in charge of the Company on the one hand and brings benefits to investors, customers, creditors, employees and the society at large. The Company believes in practicing excellent Corporate Governance practices and endeavours continuously to improve on these practices.

### 2. Board of Directors

#### a) Composition

Presently, the Company's Board comprises of 6 Non- Executive Directors and 1 Executive Vice Chairman & Managing Director. Out of 6 Non- Executive Directors, 4 are Independent Directors. The promoter is the Non-executive Chairman and there is one Non-executive Promoter Director. The Board Members possess the required skills, experience and expertise necessary to guide the Company.

#### b) Number of Board Meetings

During the year, the Board met 11 times on 8.4.2011, 22.4.2011, 19.5.2011, 26.7.2011, 26.9.2011, 22.10.2011, 20.11.2011, 27.12.2011, 7.1.2012, 28.1.2012 and 29.2.2012.

#### c) Directors' attendance record and Directorship in other Public Limited Companies.

The Composition of the Board of Directors and their attendance at the meetings of the Board held during the year ended 31st March, 2012 and at the last Annual General Meeting and also the number of Directorship held in other Companies and Chairman/ Membership of the Committee held by them in other Companies are as follows:

Name of the Director	Category	No. of Board meetings attended [Total No. of Meetings held - 11]	Whether attended Last Annual General Meeting	No. of Directorship in domestic public companies (including this Company)		No. of Committee * memberships in domestic public companies (including this company).	
				As Chairman	As Director	As Chairman	As Member
1	2	3	4	5	6	7	8
Mr Braj Binani	Non- Executive Promoter	9	Yes	5	-	-	1
Mr Sunil Sethy	Exec.vice Chairman & Managing Director	9	Yes	-	2	-	2
Mr S. Padmakumar [Retired on 20.11.2011]	Non- Executive Independent	4	Yes	-	5	8	8
Dr V.C.Shah [Retired on 20.11.2011]	Non- Executive Independent	6	Yes	-	5	3	9
Mr A.C. Chakrabortti [Retired on 20.11.2011]	Non- Executive Independent	5	Yes	4	8	3	4
Mr N.C.Singhal	Non- Executive Independent	9	Yes	3	7	5	3
Mr. Jitender Balakrishnan	Non -Executive Independent	9	Yes	-	15	3	3
Ms Nidhi Singhania	Non- Executive Promoter	Nil	Yes	-	3	-	-

Name of the Director	Category	No. of Board meetings attended (Total No. of Meetings held - 11)	Whether attended Last Annual General Meeting	No. of Directorship in domestic public companies (including this Company)		No. of Committee * memberships in domestic public companies (including this company).	
				As Chairman	As Director	As Chairman	As Member
Mr. V. Subramanian w.e.f 20.11.11	Non –Executive Independent	4	-	-	10	7	5
Mr. Sudhakar Rao w.e.f 28.1.2012	Non –Executive Independent	2	-	-	7	-	-

\*None of the Directors is a member of more than ten Board Committees or a chairman of more than five such committees, as required under clause 49 of the Listing Agreement of the Mandatory Committees.

### 3. Audit Committee

#### a) Composition

The Audit committee comprised of Mr S. Padmakumar as Chairman and Dr V.C Shah and Mr A.C.Chakrabortti, as members till 20.11.2011. The Audit Committee was reconstituted with Mr. N.C.Singhal, Mr. V.Subramanian and Mr. Jitender Balakrishnan as Members with effect from 20th November, 2011. All the three members of the Audit Committee are independent directors. The Composition of the Committee is in conformity with clause 49 (II)(A) of the Listing Agreement. Mr. Jitender Balakrishnan is the Chairman of the Audit Committee.

All the members of the Audit Committee are financial experts.

The Executive Vice Chairman & Managing Director, Executive Director & Group Chief Financial Officer and Chief Financial Officer (Group Control Accounts) attend all the meetings of the Audit Committee. Representatives of the Statutory Auditors and Internal Auditors are invited to attend the meetings.

The Sr. Vice President (Secretarial) of the Company attends the Meetings of the Audit Committee in absence of Company Secretary.

#### b) Terms of reference, powers and role of the Committee

The terms of reference of the Audit Committee including its role and powers are as specified in clause 49 of the listing agreement with the stock exchanges, and also in accordance with Section 292 A of the Companies Act, 1956 as amended from time to time, besides other terms as may be referred to it by the Board of Directors.

#### c) Number of Committee meetings and attendance

The Audit Committee met 4 (four) times during the year under review on 21st April, 2011, 25th July, 2011, 21st October, 2011 and 27th January, 2012. The gap between two meetings was not more than four months. The Chairman and all the members of the Audit Committee attended the last AGM.

The attendance record of the members of the Audit Committee during the year under review is as under:

Name of the Director	Status	No. of Meetings held	No of Meetings attended
Mr S. Padmakumar	Chairman	3	3
Mr A.C Chakrabortti	Member	3	2
Dr V.C. Shah	Member	3	3
Mr. N.C.Singhal	Member	1	1
Mr. V Subramanian	Member	1	Nil
Mr. Jitender Balakrishnan	Member	1	1

#### d) Review of Information by the Audit Committee

The Audit Committee is responsible for the financial reporting and ensuring compliances with accounting standards and reviewing financial policies of the Company and to recommend the appointment of Statutory Auditors and Internal Auditors and fix their fees. The Committee examines in detail the reports of the Internal Auditors of the Company as well as those of the subsidiaries. The Committee reviews the risk management reports on quarterly basis. The Committee also reviews all the unaudited quarterly Financial Results and the audited results including that of Subsidiaries before submission to the Board.

## 4. Remuneration Committee

### a) Composition

The Remuneration Committee at the beginning of the year comprised of 3 (Three) members, all being Non- Executive Independent Directors. Mr S.Padmakumar was the Chairman of the Committee. The other Members were Mr A.C Chakrabortti and Dr V.C Shah.

The Remuneration Committee was Reconstituted with 3 (Three) Non-executive Independent Directors viz. Mr. N.C.Singhal, Mr. V.Subramanian and Mr. Jitender Balakrishnan with effect from 20.11.2011.

### b) Terms of Reference

The Committee reviews and approves the salary and service agreement of Managing Director and other Executive Directors; if any.

### c) Number of Meetings held and Attendance Record

During the year under review, no meetings were held.

### d) Remuneration Policy and Remuneration of Directors

The Managing Director is paid remuneration as approved by the Board of Directors on the recommendation of the Remuneration Committee. The remuneration has been approved by the Central Government and the shareholders and such other authorities as may be required.

The details of the remuneration paid to Mr.Sunil Sethy, Managing Director as per his remuneration approved by the Shareholders and the Central Government for the year 2011-12 is given below :

Basic Salary	: Rs. 1,19,06,400 P.A
Perquisites	: Rs. 36,00,000 P.A ( HRA & Car Allowance)
Bonus & Stock Option	: Not applicable
Pension, Provident Fund & Gratuity	: Nil.

The Non Executive Directors are remunerated by way of sitting fees, as decided by the Board of Directors of the Company from time to time. Mr. N.C.Singhal and Mr. A.C.Chakrabortti, Non-Executive Independent Directors, are being paid Commission as per the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on 15th February, 2008. and the approval of the Central Government has been obtained. The Central Government has approved the payment of commission of Rs. 5 lakhs each for the financial year 2011-12 to both Mr. N. C. Singhal and Mr. A. C. Chakrabortti. Mr. A.C. Chakrabortti has since resigned as Director with effect from 20th November, 2011.

Mr. Braj Binani, Chairman is not in receipt of any Salary/ perquisite or Commission from the Company or any of its Subsidiary Company with effect from 1.4.2005.

## 5. Investor Relations Committee

### a) Composition

The Investor Relations Committee at the beginning of the year comprised of 3 (Three) Non-Executive Independent Directors and the Executive Vice Chairman and Managing Director. Dr. V.C. Shah, a Non- Executive Independent Director, was the Chairman of the Committee. Other Members were Mr S. Padmakumar, Mr N.C Singhal, both Non- Executive Independent Directors and Mr Sunil Sethy, the Executive Vice Chairman & Managing Director.

The Investor Relations Committee was reconstituted with 2(Two) Non-Executive Independent Directors and the Executive Vice Chairman and Managing Director. The Members of the Committee are Mr.N.C.Singhal , Mr. V.Subramanian, Directors and Mr. Sunil Sethy,the Executive Vice Chairman & Managing Director.

The composition of the Committee is in conformity with clause 49 (iv)(G)(iii) of the Listing Agreement.

The Sr. Vice President (Secretarial) of the Company attends the Meetings of the Audit Committee in absence of Company Secretary.

**b) Terms of Reference**

The committee has been constituted to specifically look into the issues relating to redressal of investors/ shareholders complaints including complaints relating to transfer of shares, non- receipt of Annual Reports and non- receipt of dividends and/ or any other matter relating to shareholders/ investors.

**c) Number of Meetings held and Attendance Record**

The committee met 4 times during the period under review. The Board has formed a Executives Committee on Share Transfer which looks after the demat and transfers and reports to the investor relations committee which meets at regular intervals. 15 Meetings of the Executive Committee on Share Transfers have been held during the year for approving the Transfer, Rematerialisation and Dematerialisation of shares.

During the year 2011-2012, 93 Complaints were received from investors and all the investors complaints have been resolved. As on 31st March, 2012, there were no complaints pending to be resolved.

The attendance at the Meeting of the said Committee is as under:-

Name of the Director/ Member	No. of Meetings attended
Dr V.C Shah	2
Mr S. Padmakumar	2
Mr N.C.Singhal	4
Mr Sunil Sethy	4
Mr.V.Subramanian	1

Mr. Atul Falgunia , Sr. Vice President (Secretarial) is the Compliance Officer.

**6. Finance Committee**

The Board has also constituted a Committee of Directors to oversee the financial function and for availing facilities including working capital facilities from Bankers and also for furnishing Corporate Guarantees in favour of its subsidiaries. The Committee at the beginning of the year comprised of Mr. S. Padmakumar, Dr. V. C. Shah Mr. N.C.Singhal, Mr. Braj Binani and Mr. Sunil Sethy.

The Finance Committee was reconstituted with Mr. Braj Binani, Mr. Sunil Sethy, Mr. N.C.Singhal and Mr. V. Subramanian with effect from 20th November, 2011.

The Committee met once during the year to consider matters relating to availing of Corporate Loans and for grant of Corporate Guarantee on behalf of subsidiaries for the loans and other credit facilities availed by the Subsidiaries.

**7. General Body Meetings****a) Details of last three Annual General Meetings are as under:**

Financial Year	Date	Time	Venue	Details of Special Resolution passed, if any
2008-09	26.6.2009	9.30a.m	Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020	None
2009-10	25.6.2010	9.30 a.m	Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020	Special Resolution was passed for the payment of remuneration to Mr. Sunil Sethy, Managing Director of the Company and for amendment of the Articles of Association in respect of clause 126 relating to use of common seal.
2010-2011	27.6.2011	2.00 p.m	Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020	None

## b) Postal Ballot

During the year under review, Special Resolution under Section 372A of the Companies Act, 1956 for adding the words Inter Corporate Loans and Investments in existing resolution and enhancing the overall limit for Guarantees/Securities, Inter Corporate loans and Investments to Rs. 6,250 Crores was passed through Postal ballot and the result of Postal Ballot based on the report of the scrutinizer was declared on 12th December, 2011 at Kolkata by the Independent Director, Mr. V. Subramanian in the presence of Mr. A.Babu, General Manager (Secretarial).

## 9. Disclosures

### i) Code of Conduct

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the web site [www.binani.com](http://www.binani.com) of the Company. The members of the Board of Directors and Senior Management of the Company and its Subsidiaries have affirmed compliance of the said Code during the period under review. The Annual report of the Company contains a declaration to this effect duly signed by the Executive Vice Chairman and Managing Director as required by Clause 49 of the Listing Agreement.

### ii) Subsidiary Companies

As required by the amended Clause 49, the Company had appointed Mr. S. Padmakumar, Independent Director, on the Boards of Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited which are material non-listed Subsidiaries of the Company. Consequent upon the retirement of Mr. S.Padmakumar, Mr. V Subramanian is a nominee of the Company in Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited, which are material non-listed Subsidiaries of the Company.

The Audit Committee of the Company also reviews the Financial Statements of all the subsidiaries.

The Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are being regularly placed before the Board of Directors of the Company. A statement containing the significant individual transactions and arrangements of the material unlisted subsidiaries are also placed before the Board of Directors of the Company on a regular basis.

### iii) Related Party Transactions

As required by the amended Clause 49, a statement in summary form of transaction with related parties every quarter are being periodically placed before the Audit Committee. The Company does not have any materially significant related party transactions that may have a potential conflict with the interest of the Company.

Based on disclosures received from Company's Senior Management Personnel, none of Senior Management Personnel had any material, financial or commercial transactions wherein they had personal interest that could have potential conflict with the interest of the Company at large.

### iv) Disclosures of Accounting treatment

Disclosures of Accounting treatment wherever applicable have been made in the Audited Financial Accounts for the year ended 31st March, 2012.

### v) Board Disclosures-Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures for the Company and also for the material subsidiaries and they are being reviewed at quarterly intervals and report placed before the Audit Committee.

### vi) EVC&MD/ CFO-Group Control Accounts Certification

A Certificate from the Executive Vice Chairman & Managing Director/ CFO –Group Control Accounts has been placed before the Board confirming that:-

- a) they have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of their knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) they accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- they have indicated to the Auditors and the Audit Committee
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
  - they have not come across any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financing reporting.

**vii) Material Transactions of Directors/ Compliances etc.**

None of the Directors had any pecuniary transaction or relationship with the Company except to the extent of payment of sitting fee and commission. The related party transactions with the subsidiaries and Promoter Group Companies have been disclosed in the Annual Accounts as per the accounting standards. No penalty or strictures have been imposed on the Company by the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited, where the Company's Shares are listed or by any other statutory authority on any matter relating to capital markets during the last three years.

However, Registrar of Companies has launched prosecution against the Company and the then two Directors and the then Company Secretary for the alleged violation of Sections 211 and 217 of the Companies Act, 1956 based on the scrutiny of the Accounts for the year ended 31st March, 2005, which is pending before the Chief Metropolitan Magistrate Court at Kolkata. Company is strongly defending the above.

**viii) Shareholding of Non- Executive Directors**

The shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2012 are as under:

Sl.No	Name of the Director	No. of Shares held
1	Mr Braj Binani	53,125
2	Ms Nidhi Singhania	6,250
3.	Mr N.C Singhal	Nil
4.	Mr Jitender Balakrishnan	Nil
5.	Mr V. Subramanian	Nil
6.	Mr Sudhakar Rao	Nil



## 10. Means of Communication:

The means of communications are quarterly, half yearly and annual results published in News Papers as per Clause 41 of the Listing Agreement and the results along with shareholding pattern are also available on the Company's website [www.binani.com](http://www.binani.com). The Company had sent the full annual report along with audited reports of subsidiaries as required under the provisions of the Companies Act, 1956 till 2002. However for the years ended 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March, 2008, 31st March, 2009, 31st March, 2010 and 31st March, 2011 in view of the exemption granted by the Central Government, Annual Accounts of the Subsidiaries were not attached. However, the abstract of financial statements of each subsidiary were attached. In accordance with the circular 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs general exemption has been granted to the Companies from attaching accounts of subsidiaries provided specific Board Resolution has been passed. The Company has accordingly passed a Board Resolution in this respect at the Board Meeting held on 22nd April, 2011. Further for the current year also the Board Resolution for exemption has been passed at the Board Meeting held on 28th January, 2012.

The Company's results are published in Financial Express and Aajkal (Bengali daily) in Kolkata where the Company's Registered Office is located.

## 11. General Shareholders Information

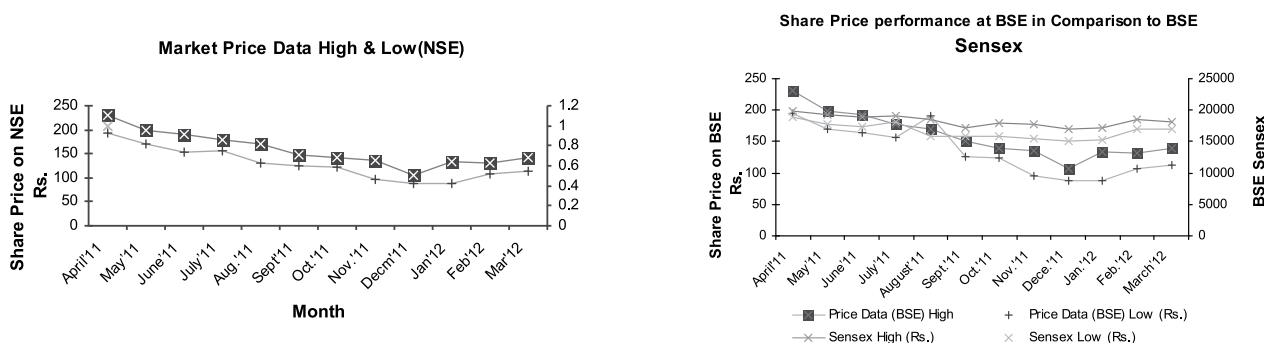
a)	49th Annual General Meeting	Saturday, the 4th August, 2012 at 12.30 p.m. at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020.
b)	Financial Calendar	
	i) Financial Year.	1st April to 31st March.
	ii) Unaudited Financial Results for the quarter ended June, 2012.	By 4th week of July, 2012
	iii) Unaudited Financial Results for the quarter ended September, 2012.	By 4th week of October, 2012
	iv) Unaudited Financial Results for the quarter ended December, 2012.	By 4th week of January, 2013
	v) Audited Financial Results for the year 2012-13.	By 4th week of April, 2013
c)	Date of Book Closure	From Saturday, the 28th July, 2012 to Saturday, the 4th August, 2012 (both days inclusive).
d)	Dividend Payment Date	On or before 30th August, 2012.
e)	Listing on Stock Exchanges	The Bombay Stock Exchange Limited, The National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.
f)	Listing Fees	Company has paid the Annual Listing Fees to all the Stock Exchanges where the Shares are listed for the year 2012-13.
g)	Stock Code	BSE 500059 - NSE BINANIIND

### h) Market Price Data (NSE) & (BSE)

Months	Price Data (NSE)		Price Data (BSE)		Sensex (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April '11	230.40	194.20	230.00	194.25	19811.14	18976.19
May '11	198.90	170.20	199.00	170.00	19253.87	17786.13
June '11	191.65	152.25	192.80	165.00	18873.39	17314.38
July '11	177.80	157.20	177.60	157.00	19131.70	18131.86
August '11	169.50	130.15	168.95	191.00	18440.07	15765.53
September '11	149.00	125.50	149.95	126.25	17211.80	15801.01
October '11	141.30	122.15	139.90	123.95	17908.13	15745.43

Months	Price Data (NSE)		Price Data (BSE)		Sensex (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
November '11	135.50	95.30	136.30	95.50	17702.26	15478.69
December '11	106.50	87.00	106.50	88.00	17003.71	15135.86
January '12	134.00	87.80	134.30	88.10	17258.97	15358.02
February '12	131.25	107.80	131.25	107.55	18523.78	17061.55
March '12	140.70	113.30	140.05	113.20	18040.69	16920.61

i) Performance of Company's equity shares in comparison to BSE Sensex



Source : www.bseindia.com

j) Registrar and Share Transfer Agents

M/s. Link Intime India Pvt.Limited

C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai -400 078

E-mail: rnt.helpdesk@linkintime.co.in

Tel. No. 022-25946970 Fax: 022-25946969

Contact Person:

Mr. Rajesh Mishra

E-mail Id:

rajesh.mishra@linkintime.co.in

Both Physical and Demat Transfers are done through the Registrar and Transfer Agents M/s. Link Intime India Private Limited. The Shares of the Company are under compulsory demat mode.

k) Compliance Officer

Mr. Atul P Falgunia-Sr Vice President (Secretarial)

Contact No

022-30263000-02.

E-mail Id:

atul@binani.net

l) Secretarial Department / Registered Office

37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiara, Kolkata -700 157

Contact Person:

Mumbai Office

Mr. Atul P.Falgunia  
Sr.Vice President (Secretarial)

Tel. 022- 30263019

E-mail ; atul@binani.net

Kolkata Office

Mr. Sauvik Nayak  
Dy.Manager (Secretarial)  
Tel. 033- 25160063

E-mail: sauvik.nayak@binani.net

## m) Shareholding Pattern as on 31.3.2012

Category code	Category of shareholder	Number of share-holders	Total number of Shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of Shares		Shares Pledged or Otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a percentage (IX)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	2	1201615	1201615	4.06	4.06	0	0
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	8	13921064	13921064	47.04	47.04	0	0
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>10</b>	<b>15122679</b>	<b>15122679</b>	<b>51.10</b>	<b>51.10</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	53125	53125	0.18	0.18	0	0
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Other (specify)							
	<b>Sub-Total (A)(2)</b>	<b>1</b>	<b>53125</b>	<b>53125</b>	<b>0.18</b>	<b>0.18</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>11</b>	<b>15175804</b>	<b>15175804</b>	<b>51.28</b>	<b>51.28</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>						<b>NA</b>	<b>NA</b>
<b>(1)</b>	<b>Institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Mutual Funds/ UTI	1	312889	312889	1.06	1.06		
(b)	Financial Institutions/ Banks	10	870985	870225	2.94	2.94		
(c)	Central Government/ State Government(s)	1	90	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0	0		
(e)	Insurance Companies	0	0	0	0	0		
(f)	Foreign Institutional Investors	15	859762	859762	2.90	2.90		
(g)	Foreign Venture Capital Investors	0	0	0	0	0		
(h)	Any Other	0	0	0	0	0		
	<b>Sub-Total (B)(1)</b>	<b>27</b>	<b>2043726</b>	<b>2042876</b>	<b>6.90</b>	<b>6.90</b>		
<b>(2)</b>	<b>Non-institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Bodies Corporate	573	2420767	2398551	8.18	8.18		

Category code	Category of shareholder	Number of shareholders	Total number of Shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of Shares		Shares Pledged or Otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(b)	Individuals -							
	1. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	47212	6751704	48325169	22.81	22.81		
	2. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	52	2098628	2085703	7.09	7.09		
(c)	Any Other (specify)							
	1. Clearing Members	122	86208	86208	0.29	0.29		
	2. NRIs /OCB	2177	1012794	333079	3.43	3.43		
	3. Foreign Companies	5	3325	0	0.01	0.01		
	4. Trusts	4	3469	3260	0.01	0.01		
	<b>Sub-Total (B)(2)</b>	<b>50145</b>	<b>12376895</b>	<b>9739317</b>	<b>41.82</b>	<b>41.82</b>	<b>NA</b>	<b>NA</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>50172</b>	<b>14420621</b>	<b>11782193</b>	<b>48.72</b>	<b>48.72</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A)+(B)</b>	<b>50183</b>	<b>29596425</b>	<b>26957997</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	NA	NA
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>50183</b>	<b>29596425</b>	<b>26957997</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

n) Distribution of Shareholding as on 31<sup>st</sup> March, 2012

No. of Ordinary Shares held	No. of Shareholders	No. of Shareholders (%)
1 to 500	48,183	96.0140
501 to 1000	1,013	2.0186
1001 to 2000	468	0.9326
2001 to 3000	179	0.3567
3001 to 4000	69	0.1375
4001 to 5000	51	0.1016
5001 to 10000	100	0.1993
10001 and above	120	0.2391
<b>TOTAL</b>	<b>50,183</b>	<b>100.00</b>

o) Dematerialization of shares and liquidity

The Company's shares are under Compulsory demat mode. As on 31st March 2012 91.08% of the total outstanding Shares were held in Dematerialized form. The Shares are actively traded at BSE/NSE.

- p) Outstanding GDRs /ADRs/ Warrants or any Convertible instruments, Not applicable. conversion date and likely impact on equity.
- q) Entities comprising “Group” under Regulation 3(1)(e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are:
- (1) Abhinav Holdings Limited, Cyprus (2) Ace Portfolio & Finance Pvt. Ltd., (3) Akroor Traders Pvt. Ltd., (4) Atithi Tie-up Pvt. Ltd., (5) Asian Industry & Information Services Pvt. Ltd. (6) BIL Infratech Limited (7) B T Composites Limited, (8) Binani Cement Factory ( Mauritius) Limited, Mauritius (9) Binani Cement Factory (SFZ) Limited, Sudan (10) B C Tradelink Limited, Tanzania (11) Bhumi Resources (Singapore) Pte Ltd. (12) Binani Cement (Uganda) Limited (13) Binani Cement Co. Ltd (Sudan) (14) Binani Cement Factory (Kenya) Ltd (15) Binani Cement Factory LLC. Dubai, (16) Binani Cement Limited, (17) Binani Cement SARL (Djibouti) (18) Binani Energy Private Limited, (19) Binani Industries Limited, (20) Binani Cement Company WLL ( Kuwait ) (21) Binani Infrastructure ( Mauritius) Limited (22) Binani Metals Limited (23) Binani Ready Mix Concrete Limited (24) Binani Zinc Limited, (25) BZL Minerals Pty Limited, Australia (26) CPI Binani Inc, USA (27) Dharmik Commodeal Pvt. Ltd. (28) Damini Multitrade Pvt. Ltd. (29) Dhaneshwar Solution Pvt. Ltd. (30) Ess Vee Alloys Private Limited, (31) Goa Glass Fibre Limited (32) K B Vyapar Pvt Ltd, (33) Krishna Holdings Pte. Ltd., Singapore, (34) Lexus Holdings & Finance Pvt. Ltd., (35) Lucknow Properties & Finance Private Limited, (36) Manjushree Holdings Pvt Ltd., (37) Merit Plaza Limited (38) Miracle Composites Private Limited, (39) Miracle Securities Private Limited, (40) Nirbhay Management Services Pvt. Ltd. (41) Mr. Braj Binani, (42) Mrs. Kalpana Binani, (43) Ms. Nidhi Singhania, (44) Ms. Shradha Binani, (45) Ms. Vidushi Binani (46) Mukundan Holdings Limited, BVI (47) Murari Holdings Limited, BVI, (48) PT ANGANNA Energy Resources, Indonesia (49) R.B.G. Minerals Industries Limited, (50) Sankalp Holdings Limited, Cyprus (51) Sapan Holdings & Trading Pvt. Ltd. (52) Shandong Binani Rong’An Cement Co. Ltd., China, (53) Suryamukhi Vintrade Pvt. Ltd., (54) Swiss Merchandise Infrastructure Ltd (55) Sambhaw Holdings Limited (56) Triton Trading Co Pvt. Ltd., (57) Vijayshree Holdings Pvt Ltd, (58) Wada Industrial Estate Limited (59) Hadoti Cement Pvt.Ltd., (60) Glass Fibre Holding 1 SARL, (61) 3B Fibre Glass SPRL,Belgium, (62) 3B Fibreglass AS, Norway, (63) Project Bird Holding Sarl, (64) Project Bird Holding II Sarl, (65) Project Bird Holding IIIA Sarl, (66) Project Bird Holding IIIB Sarl, and (67) Project Bird Holding IIIC Sarl.
- r) Subsidiaries’ Plant Locations
1. **Binani Zinc Limited**  
Binanipuram, Ernakulam, Kerala- 683502
  2. **Binani Cement Limited**
    - a) Binanigram, Pindwara, Sirohi, Rajasthan –307031
    - b) Village Sirohi, Taluka:Neem Ka Thana, Dist-Sikar, Rajasthan.
  3. **Goa Glass Fibre Limited**  
Colvale, Bardez, Goa – 403513
  4. **BT Composites Limited**  
C5 to C9, Madkaim Indl.Est. Mardol Post, Goa- 403404
  5. **Ess Vee Alloys (Pvt.) Limited**  
Plot No.113, D.S.S.Industrial Estate, Piparia, Silvassa 396230 Dadra & Nagar Haveli(U.T)
  6. **Shandong Binani Rong’An Cement Co.Ltd.**  
Fujiazhuang, Dong Guan Town, Ju County, Rizhao City, Shandong Nagar,China
  7. **Binani Cement Factory LLC**  
Jabel Ali, Dubai.
  8. **3B Fibreglass SPRL,**  
Route de Maestricht 67, 4651, Battice,Belgium
  9. **3B Fibreglass AS**  
Tollenesveien 60, 4760, Birkeland Norway

- s) **Address for correspondence for Binani Industries Limited & its Subsidiary Companies (Except R.B.G. Minerals Industries Ltd., Krishna Holdings Pte.Ltd. Singapore, Bhumi Resources (Singapore) Pte Ltd. Mukundan Holdings Ltd. Murari Holdings Ltd., Sankalp Holdings Ltd., Abhinav Holdings Ltd., Glass Fibre Holding I S a r l, 3 B Fibreglass SPRL, 3 B Fibreglass AS, Project Bird Holding Sarl, Project Bird Holding II Sarl, Project Bird Holding III A Sarl, Project Bird Holding III B Sarl & Project Bird Holding III C Sarl)**
- Registered Office:**  
37/2, Chinar Park, New Town  
Rajarhat Main Road, P.O. Hatiara,  
Kolkata -700157,
- Registered Office of:**  
**R.B.G. Minerals Industries Ltd.**  
17-A, Old Fatehpura, Udaipur 313001
- Registered Office of :**  
**Krishna Holdings Pte.Ltd.Singapore(KHL)**  
**Bhumi Resources (Singapore) Pte Ltd.**  
21, Bukit Batok Crescent, No.15-74  
WCEGA Tower, Singapore 658065.
- Registered Office of:**  
**Mukundan Holdings Limited (MHL)**  
P.O.Box 957, Offshore Incorporations Centre,  
Road Town, Tortola, British Virgin Islands (BVI)
- Registered Office of**  
**Murari Holdings Limited**  
Akara Building, 24 De Castro Street,  
Wickhams Cay 1, Road Town, Tortola,  
British Virgin Islands.
- Registered Office of :**  
**Sankalp Holdings Limited**  
**Abhinav Holdings Limited**  
Arch. Makariou III, 229  
MELIZA COURT,4TH Floor  
Limassol, Cyprus
- Registered Office of:**  
**Glass Fibre Holding I S a r l**  
**BIL Holding II S a r l**  
**BIL Holding III S a r l**  
50, Esplanade, L-9227 Diekirch  
Luxembourg.
- 3 B Fibreglass SPRL,**  
Route De Maestricht  
67, 4651,Battice Belgium
- 3 B Fibreglass AS**  
Tollenesveien  
60, 4760, Birkeland Norway
- Project Bird Holding S a r l**  
**Project Bird Holding II S a r l**  
**Project Bird Holding IIIA S a r l**  
**Project Bird Holding IIIB S a r l &**  
**Project Bird Holding IIIC S a r l**  
69, Boulevard de la Petrusse  
L-2320 Luxembourg

**DECLARATION:**

All the member of the Board of Directors of the Company and Senior Management of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2012. The Code of Conduct laid down for all Board members and Senior Management of the Company is posted on the website of the Company.

Place : Mumbai

Date : 21<sup>st</sup> April, 2012.

**Sunil Sethy**  
**Executive Vice Chairman & Managing Director**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members of Binani Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Binani Industries Limited (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Uma Lodha & Co.**  
Practising Company Secretaries

**Uma Lodha**  
Proprietor  
C.P. No. 2593

Place : Mumbai  
Date : 21st April, 2012.

## AUDITORS' REPORT

To

**The Members of Binani Industries Limited**

1. We have audited the attached Balance Sheet of **Binani Industries Limited** as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
  4. Further to our comments in the Annexure referred to above, we report that:
    - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
    - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books.
    - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
5. Without qualifying our report we invite attention to note no. 38 regarding appointment of Company Secretary.
  6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012.
    - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Kanu Doshi Associates**Chartered Accountants  
Firm Registration No. 104746W**Jayesh Parmar**Partner  
Membership No.45375Place : Mumbai  
Date : April 21, 2012**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of BINANI INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2012]

- i.
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
  - c) There has been no disposal of substantial part of fixed assets during the year, which may affect the going concern status of the Company.
- ii. The Company does not hold any inventories. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable.
- iii. According to information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under 301 of the Companies Act, 1956. Accordingly, the sub-clauses (b),(c),(d),(f) and (g) of clause (iii) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets



and sale of services. On the basis of our examination of the books and records of the Company, we have not observed any continuing failure to correct major weaknesses in the internal control system.

- v. To the best of our knowledge and belief and according to the information and explanations given to us that there are no transactions, particulars of contracts or arrangements required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, clause (v) (b) of the order is not applicable.
- vi. The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act and the rules framed there under apply.
- vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- viii. As informed to us, the Company is not required to maintain cost records under Section 209 (1) (d) of the Companies Act, 1956.
- ix. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.  
b) According to the record of the Company, there are no dues outstanding of Income Tax, Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise Duty, Cess on account of any dispute, other than the following:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount Rs. in Lakhs	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1995-96	344.45	Assessing Officer
Income Tax Act, 1961	Income Tax	2006-07	3,791.76	High Court
Income Tax Act, 1961	Income Tax	2008-09	92.85	Commissioner of Income Tax (Appelas)

- x. The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash loss both in the current year and in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.

- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit/societies.
- xiv. In our opinion and according to information and explanation given to us, the Company has invested temporary surplus funds in mutual funds and term deposits. According to the information and explanation given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein. The mutual funds, term deposits and the shares of its subsidiaries have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from Banks and Financial Institutions, the terms and conditions thereof in our opinion are not prima facie prejudicial to the interest of the Company.
- xvi. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long term purposes.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company during the year.
- xx. The Company has not raised any money through public issue during the year.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

#### For Kanu Doshi Associates

Chartered Accountants  
Firm Registration No. 104746W

**Jayesh Parmar**  
Partner  
Membership No.45375

Place : Mumbai  
Date : April 21, 2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lakhs)

Particulars	Note No.	31st March, 2012	31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	2,961.52	2,961.52
(b) Reserves and Surplus	4	17,432.75	16,720.22
		<b>20,394.27</b>	19,681.74
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	56,173.06	40,652.20
(b) Long term Provisions	6	82.95	113.30
		<b>56,256.01</b>	40,765.50
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	7	43,075.00	20,500.00
(b) Trade payables	8	1,110.36	51.89
(c) Other current liabilities	9	6,010.52	4,802.41
(d) Short-term Provisions	10	1,066.72	903.20
		<b>51,262.60</b>	26,257.50
<b>TOTAL</b>		<b>127,912.88</b>	86,704.74
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	11.1	614.61	285.40
(ii) Intangible assets	11.2	13.03	-
(b) Non-current investments	12	107,084.91	71,832.16
(c) Long term loans and advances	13	3,738.45	2,963.57
(d) Other non-current assets	14	430.63	694.97
		<b>111,881.63</b>	75,776.10
<b>CURRENT ASSETS</b>			
(a) Trade receivables	15	250.54	-
(b) Cash and bank balances	16	13,133.15	9,346.81
(c) Short-term loans and advances	17	2,608.30	1,581.83
(d) Other current assets	18	39.26	-
		<b>16,031.25</b>	10,928.64
<b>TOTAL</b>		<b>127,912.88</b>	86,704.74
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>			
	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Place : Mumbai  
Date : 21st April, 2012

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lakhs)

Particulars	Note No.	31st March, 2012	31st March, 2011
<b>INCOME</b>			
Revenue from operations	19	13,928.82	3,510.00
Other income	20	5,075.23	5,081.01
<b>TOTAL</b>		<b>19,004.05</b>	<b>8,591.01</b>
<b>EXPENSES</b>			
Advertisement & brand building expenses		4,547.94	225.20
Royalty expenses		952.55	-
Employee benefits expenses	21	2,258.41	1,871.17
Financial costs	22	10,672.01	3,383.97
Depreciation and amortization expenses	11	64.63	40.01
Other expenses	23	2,132.61	1,924.64
<b>TOTAL</b>		<b>20,628.15</b>	<b>7,444.99</b>
<b>Earnings before exceptional, extraordinary items and tax</b>		<b>(1,624.10)</b>	<b>1,146.02</b>
Exceptional items	24	3,626.70	-
<b>Profit before extraordinary items and tax</b>		<b>2,002.60</b>	<b>1,146.02</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>2,002.60</b>	<b>1,146.02</b>
Tax expense:			
(1) Current tax (MAT)		634.42	-
(2) Deferred tax		-	-
(3) FBT - Excess provision of earlier years written back		-	(0.15)
<b>Profit/(Loss) for the year from continuing operations</b>		<b>1,368.18</b>	<b>1,146.17</b>
<b>Profit/(Loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>1,368.18</b>	<b>1,146.17</b>
<b>Earnings per Equity Share:</b>			
Basic and Diluted		4.62	3.87
<b>Nominal value per Equity Share (in Rs.)</b>		<b>10.00</b>	<b>10.00</b>
<b>Number of shares used in computing earning per share</b>		<b>29,596,425</b>	<b>29,596,425</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Place : Mumbai  
Date : 21st April, 2012

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012****1 CORPORATE INFORMATION**

Binani Industries Limited is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

**2 BASIS OF ACCOUNTING**

The financial statements of the Company have been prepared under the historical cost convention and on accrual basis in accordance with accounting principles generally accepted in India and in compliance with all material aspect of the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENT**

For the year ended March 31, 2012, the revised Schedule VI format as notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. The Company has therefore reclassified / regrouped the previous year figures in accordance with the requirements applicable for the current year.

**USE OF ESTIMATES**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amount of assets or liabilities in future periods.

**REVENUE RECOGNITION****Income from Services**

Management Services Fees and Royalty Income are recognised on accrual basis. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

**Interest income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Sale of investment**

Income from sale of long term investments is recognised on transfer of underlying instruments.

**Dividend income**

Income from Dividend is recognised when the right to receive payment is established.

**TANGIBLE FIXED ASSETS**

Tangible Fixed Assets are stated at cost net of accumulated depreciation and accumulated impairment loss, if any. Interest and Finance costs, if any in respect of loan for financing Fixed Assets, are capitalised till the date the assets are ready for use. However assets having individual value below Rs.5,000/- are depreciated @ 100% except mobile phones which are charged to revenue considering their useful life to be less than one year. Subsequent expenditure related to an item of tangible fixed assets is added to its book value only if it increases the future benefits arising from the existing assets beyond its previously assessed standard of performance.

**DEPRECIATION AND AMORTISATION**

Depreciation on Plant and Machinery is provided on Straight Line Method (SLM) , at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, which includes Computer and Air Conditioners. Depreciation on other Fixed Assets, Office Equipments and Transport Equipments has been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956.

**INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised on a straight line basis over the estimated useful economic life. Expenditure on major computer software is amortised over the period of expected benefit not exceeding five years.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

### IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Company determines whether a provision should be made for impairment loss on tangible and intangible assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued under Accounting Standard Rules, 2006. An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

### INVESTMENTS

Investments classified as long term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of Profit and Loss. In case of forward contracts, the exchange differences are dealt with in the Statement of Profit and Loss over the period of contracts.

Exchange differences arising on long term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

### EMPLOYEE BENEFITS

- i) Short Term Employee Benefits – All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.
- ii) Post Employment/Retirement Benefits – Defined Contribution Plans such as Provident Fund etc, are charged to the Profit and Loss statement as incurred.

**DEFINED BENEFIT OBLIGATION PLANS** – i) The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Statement of Profit and Loss. In case of gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

- ii) Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans. (refer note 37)

### BORROWING COSTS

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

### INCOME TAX

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued under Accounting Standards Rules 2006, which includes current tax and deferred tax. Deferred income tax reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

### CONTINGENT LIABILITY

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
<b>Note No. 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
4,00,00,000 (Previous Year - 4,00,00,000) Equity Shares of Rs.10 each	4,000.00	4,000.00
60,00,000 (Previous Year - 60,00,000) Preference Shares of Rs. 100 each	6,000.00	6,000.00
<b>TOTAL</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
2,95,96,425 (Previous Year - 2,95,96,425) Equity Shares of Rs.10 each fully paid up	2,959.64	2,959.64
Add: Amount paid up on Forfeited Shares	1.88	1.88
<b>TOTAL</b>	<b>2,961.52</b>	<b>2,961.52</b>

## 3.1 Reconciliation of number of shares outstanding at in beginning and at the end of Reporting Period

Particulars	31st March, 2012		31st March, 2011	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
<b>Equity Shares</b>				
At the beginning of the year	29,596,425	2,959.64	29,596,425	2,959.64
Issued during the period	-	-	-	-
Outstanding at the end of the period	29,596,425	2,959.64	29,596,425	2,959.64

## 3.2 Terms /Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend proposed for distribution to equity shareholders is Rs. 3 (Previous Year - Rs. 3)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

## 3.3 Details of shareholders holding more than 5% of Share Capital in the Company

PARTICULARS	31st March, 2012		31st March, 2011	
	No. of Equity Share	% of Holding	No. of Equity Share	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>				
Dharmik Commodeal Private Limited	4,758,750	16.08	4,758,750	16.08
Vijayshree Holdings Private Limited	4,288,300	14.49	-	-

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
<b>Note No. 4</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve	49.04	49.04
Capital Investment Subsidy	15.00	15.00
Securities Premium	19,595.68	19,595.68

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

RESERVES & SURPLUS (Contd.)	31st March, 2012	31st March, 2011
<b>General Reserve</b>		
Opening Balance	-	-
Add : Transferred from Statement of Profit and Loss	137.00	115.00
Less : Transferred to Statement of Profit and Loss	(137.00)	(115.00)
<b>Foreign Currency Monetary Item Translation Difference A/c</b>		
Opening Balance	-	-
Add : Addition during the year	376.28	-
Closing balance	376.28	-
<b>Surplus/( deficit) in the Statement of Profit and Loss</b>		
Opening Balance	(2,939.50)	(3,197.78)
Transferred from Statement of Profit and Loss	1,368.18	1,146.17
	(1,571.32)	(2,051.61)
<b>Less: Appropriation</b>		
Proposed Dividend	(887.89)	(887.89)
Provision for Dividend Distribution Tax	(144.04)	-
Transferred to General Reserve	(137.00)	(115.00)
Transferred from General Reserve	137.00	115.00
Net Surplus/(Deficit) in the Statement of Profit and Loss	(2,603.25)	(2,939.50)
<b>TOTAL</b>	<b>17,432.75</b>	<b>16,720.22</b>

(Rs. in Lakhs)

PARTICULARS	31st March, 2012		31st March, 2011	
	Current	Non Current	Current	Non Current
<b>Note No. 5</b>				
<b>LONG TERM BORROWINGS</b>				
<b>Term Loans ( Secured)</b>				
<b>From Banks</b>				
- Foreign Currency Loan	-	20,738.25	-	-
<b>From Financial Institutions</b>	-	35,000.00	-	35,000.00
<b>Term Loans ( Unsecured)</b>				
- Indian Rupee Loan from Bank	-	434.81	-	5,652.20
<b>TOTAL</b>	-	<b>56,173.06</b>	-	<b>40,652.20</b>

a **Export Import Bank of India** - Foreign Currency Loan - Outstanding Rs.20,738.25 Lakhs (USD 40.245 million) (Previous Year Rs. Nil).

The loan carries interest @ 6 Months LIBOR plus 800 bps per annum. The loan is repayable after 3 years from the date of drawdown, i.e. 8th December, 2011 in 4 equal semi annual instalments of USD 10.06 million each.

The loan is secured against (a) pledge of 100% shares (paripassu charge) of Glass Fibre Holding I SARL held by BIL (b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited (c) second charge on the assets of 3B Group (d) second charge on the pledge of 100% shares of 3B Group (e) pledge of 5% shares of Binani Cement Limited held by Binani Industries Limited on exclusive charge basis (f) paripassu charge on the entire fixed assets of Binani Zinc Limited including immovable properties present and future (g) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited and (h) the personal guarantee of the promoter Director of the Company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012**

- b **IFCI Limited** - Outstanding Rs. 35,000 Lakhs (Previous Year Rs. 35,000 Lakhs).  
 The Loan carries interest @ 13.25% per annum. The loan is repayable in 4 quarterly instalments of Rs.8,750 Lakhs each, after three years from the date of drawdown, i.e., 17th January, 2011.  
 The Loan is secured against pledge of 8,01,40,000 Equity Shares of Binani Cement Limited (BCL), post dated cheques issued for interest and principal repayment.
- c **Syndicate Bank**- Outstanding Rs. 5,652.17 Lakhs (Previous Year -Rs. 10,000 Lakhs)  
 Loans carry interest @ 14% per annum. The loans are repayable in 23 equal monthly instalments of Rs. 217.39 lakhs each from the date of drawdown,i.e., 27th April, 2010 and 30th June, 2010 respectively.  
 Out of total outstanding - Rs. 434.81 Lakhs shown under Long term borrowing and Rs. 5,217.36 Lakhs shown under Other current liabilities. (Previous Year -Rs. 5,652.20 Lakhs - Long term borrowings and Rs. 4,347.80 Lakhs - Other current Liabilities). (Refer Note - 9)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2012	31st March 2011
<b>Note No. 6</b>		
<b>LONG TERM PROVISION</b>		
For Gratuity (funded) (Refer Note no.37)	4.34	46.96
For Leave encashment (unfunded) (Refer Note no.37)	78.61	66.34
<b>TOTAL</b>	<b>82.95</b>	<b>113.30</b>
<b>Note No. 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Loans (Unsecured)</b>		
From Bank	-	15,000.00
From Others	1,125.00	-
<b>Inter Corporate Deposits repayable on demand ( Related Parties)</b> ( Refer Note no. 35 (a))	41,950.00	5,500.00
<b>TOTAL</b>	<b>43,075.00</b>	<b>20,500.00</b>
<b>Note No. 8</b>		
<b>TRADE PAYABLES</b>		
Trade payables ( Refer Note no 36 )	1,110.36	51.89
<b>TOTAL</b>	<b>1,110.36</b>	<b>51.89</b>
<b>Note No. 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (Refer Note 5(c))	5,217.36	4,347.80
Interest accrued but not due on borrowings	317.52	217.76
Unpaid dividend	160.10	132.30
Other liabilities	315.54	104.55
<b>TOTAL</b>	<b>6,010.52</b>	<b>4,802.41</b>
<b>Note No. 10</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
For Gratuity (funded) (Refer Note -37)	10.45	-
For Leave encashment (unfunded) (Refer Note -37)	24.34	15.31
<b>Others</b>		
Proposed dividend	887.89	887.89
Provision for tax on proposed dividend	144.04	-
<b>TOTAL</b>	<b>1,066.72</b>	<b>903.20</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	LAND	BUILDINGS*	AIR CONDITIONERS / COMPUTERS / FRIDGE	FURNITURE & FIXTURES / OFFICE EQUIPMENTS	TOTAL
<b>Note No. 11.1</b>					
<b>TANGIBLE ASSETS</b>					
<b>Cost or valuation</b>					
As at 1st April, 2010	4.04	321.89	127.46	217.67	671.06
Additions	-	-	28.08	30.00	58.08
Sales/ Adjustments	-	-	1.12	-	1.12
<b>Total as at 31st March, 2011</b>	<b>4.04</b>	<b>321.89</b>	<b>154.42</b>	<b>247.67</b>	<b>728.02</b>
Additions	-	17.10	57.25	334.27	408.62
Sales/ Adjustments	-	0.72	19.91	14.07	34.70
<b>Total as at 31st March, 2012</b>	<b>4.04</b>	<b>338.27</b>	<b>191.76</b>	<b>567.87</b>	<b>1,101.94</b>
<b>Depreciation</b>					
As at 1st April, 2010	-	228.93	31.41	142.42	402.76
Charge for the year	-	6.32	15.37	18.32	40.01
Sales/ Adjustments	-	0.15	-	-	0.15
<b>Total as at 31st March, 2011</b>	<b>-</b>	<b>235.10</b>	<b>46.78</b>	<b>160.74</b>	<b>442.62</b>
Charge for the year	-	6.31	20.55	37.76	64.62
Sales/ Adjustments	-	0.45	11.00	8.46	19.91
<b>Total as at 31st March, 2012</b>	<b>-</b>	<b>240.96</b>	<b>56.33</b>	<b>190.04</b>	<b>487.33</b>
<b>NET BLOCK</b>					
<b>As at 31st March, 2011</b>	<b>4.04</b>	<b>86.79</b>	<b>107.64</b>	<b>86.93</b>	<b>285.40</b>
<b>As at 31st March, 2012</b>	<b>4.04</b>	<b>97.31</b>	<b>135.43</b>	<b>377.83</b>	<b>614.61</b>

\* Includes Buildings of Rs.198.05 Lakhs on leasehold land. Transfer of lease is yet to be completed.

(Rs. in Lakhs)

PARTICULARS	COMPUTER SOFTWARE	TOTAL
<b>Note No. 11.2</b>		
<b>INTANGIBLE ASSETS</b>		
<b>Cost as at 31st March, 2011</b>		
	-	-
Additions	13.04	13.04
Sales/ Adjustments	-	-
<b>Total as at 31st March, 2012</b>	<b>13.04</b>	<b>13.04</b>
<b>Depreciation</b>		
Charge for the year	0.01	0.01
As at 31st March, 2012	<b>0.01</b>	<b>0.01</b>
<b>NET BLOCK</b>		
<b>As at 31st March, 2011</b>	-	-
<b>As at 31st March, 2012</b>	<b>13.03</b>	<b>13.03</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 12</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>Trade Investments ( Valued at cost unless stated otherwise)</b>		
Nil Equity Shares of Binani Cement Limited of Rs.10 each fully paid up (Previous Year 17,91,84,178 Equity Shares of Rs.10 each fully paid up)	-	55,805.00
<b>Non Trade - investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
<b>Investment in subsidiaries</b>		
18,16,86,001 Equity Shares of Binani Cement Limited of Rs.10 each fully paid up (Previous Year Nil)	58,056.64	-
5,90,007 Equity Shares of Wada Industrial Estate Limited of Rs.100 each fully paid up ( Previous Year 5,90,007 Equity Shares of Rs. 100 each fully paid up)	237.78	237.78
37,830,389 Equity Shares of Goa Glass Fibre Limited of Rs.10 each fully paid up (Previous Year 7,41,77,389 Equity Shares of Rs. 10 each fully paid up)	3,783.04	7,417.74
6,07,88,138 Equity Shares of Binani Zinc Limited of Rs.10 each fully paid up ( Previous Year 6,07,88,138 Equity Shares of Rs. 10 each fully paid up)	6,078.81	6,078.81
75,000 Equity Shares of Sankalp Holdings Limited of Euro 1 each ( Previous Year 75,000 Equity Shares of Euro 1 each)	48.25	48.25
150,00,000 Equity Shares of BIL Infratech Limited of Rs.10 each fully paid up (Previous Year 50,000 Equity Shares of Rs10 each fully paid up)	1,500.00	5.00
Nil Equity Shares of Binani Ready Mix Concrete Limited (Previous Year 1,00,000 Equity Shares of Rs.10 each )	-	10.00
27,09,999 Equity Shares of USD 0.996 each of CPI Binani, Inc. (Previous Year 27,09,999 Equity Shares of USD 0.996 each)	1,234.58	1,234.58
100 Equity Shares of Euro 125 each in BIL Holding II SARL Luxembourg (Previous Year Nil)	8.30	-
100 Equity Shares of Euro 125 each in BIL Holding III SARL Luxembourg (Previous Year Nil)	8.30	-
3,78,157 Equity Shares of Euro 125 each in Glass Fibre Holding I SARL Luxembourg (Formerly known as BIL Holding I SARL) (Previous Year Nil)	32,672.49	-
	<b>103,628.19</b>	15,032.16
1,40,00,000 Equity Shares of BT Composites Limited of Rs.10 each fully paid up ( Previous Year 1,40,00,000 Equity Shares of Rs. 10 each fully paid up)	1,400.00	1,400.00
Less: Value of 90,00,000 Equity Shares Written off in earlier years	(900.00)	(900.00)
Less: Diminution in the value of Investments	(200.00)	-
	300.00	500.00
<b>Preference Share (unquoted)</b>		
5,00,000 4% Redeemable Non Cumulative Preference Shares of BT Composites Limited of Rs.10 each fully paid up (Previous Year 5,00,000 4% Redeemable Non Cumulative Preference Shares of Rs.10 each fully paid up)	50.00	50.00
Less: Value written off in earlier years	(50.00)	(50.00)
	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
Aggregate amount of Quoted investments (Market Value Rs.1,56,786.16 lakhs)	-	55,805.00
Aggregate amount of unquoted investments	103,628.19	15,032.16
<b>Aggregate provision for written off /diminution in value of investment</b>	<b>1,150.00</b>	950.00
<b>Application Money for Investment in Capital of Subsidiaries Pending Allotment</b>		
Binani Energy Private Limited	3.47	-
BIL Infratech Limited	-	495.00
Binani Cement Limited	38.87	-
Glass Fibre Holding I SARL, Luxembourg (Formerly known as BIL Holding I SARL)	3,114.38	-
	<b>3,156.72</b>	495.00
<b>TOTAL</b>	<b>107,084.91</b>	71,832.16
<b>Note No. 13</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
Security Deposits (Unsecured considered good)	103.68	96.04
Loans and advances to related parties (Unsecured considered good) (Refer Note - 35 (b))	3,634.77	2,867.53
<b>TOTAL</b>	<b>3,738.45</b>	2,963.57
<b>Note No. 14</b>		
<b>OTHER NON-CURRENT ASSETS</b> (Unsecured, considered good)		
Non- current bank deposit (Fixed Deposits with maturity for more than 12 months)	2.05	1.91
Advance tax including tax deducted at source	426.95	691.43
Fringe benefit tax (net)	1.63	1.63
<b>TOTAL</b>	<b>430.63</b>	694.97
<b>Note No. 15</b>		
<b>TRADE RECEIVABLE AND OTHER ASSETS</b> Trade Receivables (include due from related parties) (Unsecured, considered good) (outstanding for period less than six months from the date they are due for payment)	250.54	-
<b>TOTAL</b>	<b>250.54</b>	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 16</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
Current accounts	5,459.04	736.04
Cash on hand	1.79	0.77
	5,460.83	736.81
<b>Other Bank Balances</b>		
Dividend accounts	160.19	132.40
Binani Cement Ltd.- Delisting Offer - 2011 Escrow Account	6,187.24	8,477.60
PNB Escrow Account	824.89	-
Bank Deposits with more than three months but less than 12 months	500.00	-
<b>TOTAL</b>	<b>13,133.15</b>	<b>9,346.81</b>
<b>Note No. 17</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Loans and advances to related parties (Unsecured considered good)</b>		
Due from subsidiaries	2,484.55	1,511.24
<b>Others (Unsecured considered good)</b>		
Advances recoverable in cash or in kind	37.03	54.04
Balance with statutory authorities	86.72	16.55
<b>TOTAL</b>	<b>2,608.30</b>	<b>1,581.83</b>
<b>Note No. 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable	39.26	-
<b>TOTAL</b>	<b>39.26</b>	<b>-</b>
<b>Note No. 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
Fees for Management services rendered	4,403.29	3,510.00
Royalty	9,525.53	-
<b>TOTAL</b>	<b>13,928.82</b>	<b>3,510.00</b>
<b>Note No. 20</b>		
<b>OTHER INCOME</b>		
Interest income	259.47	385.31
Dividend income from subsidiaries	4,479.60	4,613.91
Other Dividend	27.64	64.96
Other miscellaneous income (Refer Note - 28)	18.53	16.83
Gain on foreign currency transactions (net)	289.99	-
<b>TOTAL</b>	<b>5,075.23</b>	<b>5,081.01</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 21</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	2,135.94	1,777.62
Contribution to provident and other funds	88.60	81.70
Staff welfare expenses	33.87	11.85
<b>TOTAL</b>	<b>2,258.41</b>	<b>1,871.17</b>
<b>Note No. 22</b>		
<b>FINANCE COSTS</b>		
Interest expenses	10,169.24	2,936.01
Other borrowing costs	484.42	446.90
Bank charges	2.30	1.06
Other interest	16.05	-
<b>TOTAL</b>	<b>10,672.01</b>	<b>3,383.97</b>
<b>Note No. 23</b>		
<b>OTHER EXPENSES</b>		
Professional fees	166.53	580.20
Insurance	1.76	0.74
Rates & taxes	2.22	2.22
Rent	212.48	166.19
Directors sitting fees	2.85	3.05
Commission to directors	10.00	10.00
Travelling expenses	373.31	391.67
Service charges	286.20	228.61
Printing & stationery expenses	42.56	46.90
Postage & telephone expenses	120.02	67.03
Electricity charges	56.96	49.88
Repairs & maintenance :		
- Buildings	46.25	8.11
- Others	71.85	31.65
Motor Car expenses	177.96	131.35
Loss on foreign currency transactions (net)	-	13.09
Loss on sale/ discard of fixed asset	11.69	0.49
Miscellaneous expenses	349.97	193.46
Diminution in value of investment in subsidiaries	200.00	-
<b>TOTAL</b>	<b>2,132.61</b>	<b>1,924.64</b>
<b>Note No. 24</b>		
<b>EXCEPTIONAL ITEMS</b>		
Gain on Sale of Non current Investments in subsidiaries (Net)	3,626.70	-
<b>TOTAL</b>	<b>3,626.70</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 25</b>		
<b>CONTINGENT LIABILITIES NOT PROVIDED FOR:</b>		
a) Claims against the Company not acknowledged as debts in respect of certain Income Tax matters.	5,280.05	5,187.20
b) Commitments relating to the purchase of customised software application.	126.82	-
c) Corporate Guarantees given to Financial Institutions and Banks in respect of loans to Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited and 3B group.(all subsidiaries of the Company)	242,925.00	82,483.00
<b>TOTAL</b>	<b>248,331.87</b>	<b>87,670.20</b>

**Note No. 26****MANAGEMENT SERVICES FEES :**

Since 1st April 2008, the Company is providing corporate support services related to Accounting, Finance, Treasury, Forex / Commodity Risk Management, Purchases, Audit, Taxation, Corporate Strategy, Media Services, Credit Rating, Legal Services, Market Research, Quality Control, Project Management etc. to its subsidiaries namely Binani Cement Limited, Binani Zinc Limited, and Goa Glass Fibre Limited on payment of monthly Management Service Fees by the subsidiaries.

**Note No. 27****ROYALTY FEES :**

Since 1st April, 2011, the Company, as the owner, licensor and rights holder of the Marks including but not limited to "Binani", "Binani-Braj Binani Group" and the Binani family / Corporate name and also in its capacity of Holding Company of the Braj Binani Group, has entered into separate agreements with its principal subsidiaries viz. Binani Zinc Ltd.(BZL), Binani Cement Ltd.(BCL), Goa Glass Fibre Limited (GGFL) and BT Composite Limited (BTCL) for grant of the use of the Marks, Corporate Name, Logo etc, in consideration of payment of Royalty as a percentage of net turnover of the Licensee (net of inter Company turnover). Accordingly, the Company has earned royalty @ 4% from BCL and @ 3% from BZL, GGFL and BTCL on the basis of their respective turnovers for the year. The Company has incurred expenditure on advertisement and corporate brand building of all the group companies as per terms of the said agreements. By virtue of a separate agreement between Promoter and the Company, the Promoter has licenced the Marks to the Company in consideration of a payment equal to 10% of the royalty earned by the Company by sub licencing the marks to its subsidiaries and affiliates.

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 28</b>		
<b>OTHER MISCELLANEOUS INCOME:</b>		
i) Liability no longer required written back	4.51	4.56
ii) Service Charges	12.47	11.34
iii) Others	1.54	0.93
<b>TOTAL</b>	<b>18.53</b>	<b>16.83</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 29</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY (Accrual Basis):</b>		
Foreign travelling expenses	99.92	95.89
Consultancy fees	-	97.03
Conference expenses	1.68	1.47
Subscription to periodicals	1.01	1.70
Recruitment expenses	40.31	-
Interest on foreign currency loan	569.11	-
Royalty expenses	952.55	-
<b>TOTAL</b>	<b>1,664.58</b>	<b>196.09</b>
<b>Note No. 30</b>		
<b>REMUNERATION TO AUDITORS:</b>		
Audit Fees	6.00	4.00
For Taxation matters,	6.31	0.50
For Other services	7.09	1.93
For Reimbursement of expenses	0.10	-
<b>TOTAL</b>	<b>19.50</b>	<b>6.43</b>

**Note No. 31**

Deferred tax asset in respect of unabsorbed depreciation and business loss has been recognised to the extent of deferred tax liability as there is virtual certainty that these would be available as set off in future years on reversal of deferred tax liability representing depreciation.

Deferred Tax Liability / Assets comprise of the following:

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
a) <b>Deferred Tax Liability</b>		
Fixed Assets	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
b) <b>Deferred Tax Asset</b>		
Fixed Assets	17.89	27.76
Disallowance under Income Tax Act, 1961	38.23	41.87
Unabsorbed losses & depreciation	2,743.60	5,298.25
<b>TOTAL</b>	<b>2,799.72</b>	<b>5,367.88</b>
Deferred Tax Assets (net)	2,799.72	5,367.88

However the Company on a prudent basis has not recognised deferred tax assets.

**Note No. 32**

During 2010-11, Binani Cement Limited had completed the Reverse Book Building process for voluntary delisting of its Equity Shares in terms of SEBI (Delisting of Equity Shares), Regulations, 2009.

With a view to provide exit opportunity to the public shareholders of Binani Cement Limited under SEBI (Delisting of Equity Shares), Regulations, 2009, during the year the Company has purchased 2,501,823 number of shares of Binani Cement Limited from its public shareholders at a price of Rs. 90.00 per share valuing Rs. 2,251.64 Lakhs.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lakhs)

PARTICULARS	31st March, 2012	31st March, 2011
<b>Note No. 33</b>		
<b>PRIMARY SEGMENT INFORMATION :</b>		
<b>1) Segment Revenue</b>		
a) Fees for Management Services rendered	4,403.29	3,510.00
b) Royalty fees	9,525.53	-
c) Unallocated/Other income (Refer Note 1 below)	8,701.93	5,081.01
<b>TOTAL</b>	<b>22,630.75</b>	<b>8,591.01</b>
<b>2) Segment Result</b>		
Profit/(Loss) before interest and tax	Refer Note 2 below	
<b>3) Capital Employed</b>		
Segment Assets - Segment Liabilities	Refer Note 2 below	

- Note:** 1) Other Income includes dividend received from Subsidiary Rs. 4,479.60 lakhs (Previous Year Rs. 4,613.91 Lakhs.) and net gain on sale of investment Rs. 3,626.70 Lakhs (Previous Year Rs. Nil)
- 2) Since resources used are common fees for management services rendered and other sources of income, the segment result & capital employed are not ascertainable.

### Note No. 34

#### PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE:

Particulars	Reporting date	Currency	Amount	Rs. In Lakhs
Outstanding foreign currency loan receivable	31st March, 2012	USD	8,167,764	4,141.87
	31st March, 2011	USD	7,617,764	3,336.05
Outstanding interest on foreign currency loan receivable	31st March, 2012	USD	88,745	45.00
	31st March, 2011	USD	-	-
Outstanding foreign currency loan payable	31st March, 2012	USD	40,245,000	20,738.25
	31st March, 2011	USD	-	-
Outstanding interest on foreign currency loan payable	31st March, 2012	USD	197,033	101.53
	31st March, 2011	USD	-	-

### Note No. 35

#### RELATED PARTY DISCLOSURE AS PER AS 18 ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED):

- (a) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details below:

Particulars	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	(Rs. In Lakhs)
			Total
<b>Fees received for Management services rendered</b>			
Binani Cement Limited	3,114.30		3,114.30
	(2,632.47)		(2,632.47)
BZ Minerals Australia (Subsidiary of Binani Zinc Limited)	250.54		250.54
	(-)		(-)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	(Rs. In Lakhs)		
	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
Binani Zinc Limited	623.45		623.45
	(526.49)		(526.49)
Goa Glass Fibre Limited	415.00		415.00
	(351.04)		(351.04)
<b>Royalty on Trademark received</b>			
Binani Cement Limited	8,061.08		8,061.08
	(-)		(-)
Binani Zinc Limited	1,154.73		1,154.73
	(-)		(-)
Goa Glass Fibre Limited	292.72		292.72
	(-)		(-)
B T Composites Limited	17.00		17.00
	(-)		(-)
<b>Royalty expenses</b>			
Golden Global Pte Ltd (Singapore Company), Assignee of Promotor		952.55	952.55
		(-)	(-)
<b>Service charges received</b>			
Triton Trading Company Limited		12.47	12.47
		(11.34)	(11.34)
<b>Payment towards Services received</b>			
Sambhaw Holdings Limited		72.00	72.00
		(64.50)	(64.50)
Triton Trading Company Limited		13.32	13.32
		(11.10)	(11.10)
<b>Rent paid</b>			
Binani Metals Limited		6.48	6.48
		(3.48)	(3.48)
Sambhaw Holdings Limited		-	-
		(1.50)	(1.50)
<b>Service charges paid for car usage</b>			
Binani Metals Limited		56.03	56.03
		(39.08)	(39.08)
<b>Dividend Received</b>			
Binani Cement Limited	4,479.60		4,479.60
	(4,613.91)		(4,613.91)
<b>Dividend Paid</b>			
Dharmik Commoddeal Pvt Ltd		142.76	142.76
		(-)	(-)
Binani Metals Limited		(-)	(-)
		(142.46)	(142.46)
<b>Interest Received</b>			
CPI Binani Inc.	112.47		112.47
	(-)		(-)
Goa Glass Fibre Limited	135.76		135.76
	(67.64)		(67.64)
<b>Expenses incurred on behalf of the company</b>			
BIL Infratech Limited	0.16		0.16
	(-)		(-)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	(Rs. In Lakhs)		
	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
Binani Cement Factory LLC	1.23 (-)		1.23 (-)
<b>Investment during the period</b>			
Binani Cement Limited	2,251.64 (42,622.40)		2,251.64 (42,622.40)
BIL Infratech Limited	1,495.00 (5.00)		1,495.00 (5.00)
Glass Fibre Holding I SARL Luxembourg (Formerly known as BIL Holding I SARL)	32,672.49		32,672.49
Binani Readymix Concrete Limited	(-) 355.90 (-)		(-) 355.90 (-)
BIL Holding II SARL Luxembourg	8.30 (-)		8.30 (-)
BIL Holding III SARL Luxembourg	8.30 (10.00)		8.30 (10.00)
<b>Sale of Investment during the period:</b>			
Binani Readymix Concrete Limited (100%) sold to Binani Cement Limited (Loss on sale of investment - Rs 324.49 Lakhs)	41.40 (-)		41.40 (-)
Goa Glass Fibre Limited (49%) sold to Glass Fibre Holding SARL I (Profit on sale of investment - Rs. 3,951.20 Lakhs)	7,585.90 (-)		7,585.90 (-)
<b>Advance for Investment</b>			
BIL Infratech Limited	- (495.00)		- (495.00)
<b>Loans &amp; Advances/ (Unsecured Loan) - Given to</b>			
CPI Binani Inc	4,324.30 (3,336.05)		4,324.30 (3,336.05)
Wada Industrial Estate Limited	12.97 (38.70)		12.97 (38.70)
Goa Glass Fibre Limited	1,000.00 (800.00)		1,000.00 (800.00)
B T Composites Limited	20.90 (215.99)		20.90 (215.99)
Binani Readymix Concrete Limited	(30.87) (30.87)		(30.87) (30.87)
<b>Repaid during the year to</b>			
Binani Cement Limited	- (12,032.41)		- (12,032.41)
<b>Repaid during the year by</b>			
Goa Glass Fibre Limited	600.00 (511.96)		600.00 (511.96)
<b>Given during the year to</b>			
Goa Glass Fibre Limited	1,600.00 (800.00)		1,600.00 (800.00)
<b>Taken during the year from</b>			
Binani Cement Limited	- (8,500.00)		- (8,500.00)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	(Rs. In Lakhs)		
	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
<b>Loans &amp; Advances taken</b>			
Glass Fibre Holding I SARL Luxembourg (Formerly known as BIL Holding I SARL)	(69.66) (-)		(69.66) (-)
<b>Inter Corporate Deposit received</b>			
Binani Cement Limited	40,650.00 (-)		40,650.00 (-)
Binani Zinc Limited	2,000.00 (-)		2,000.00 (-)
<b>Inter Corporate Deposit repaid</b>			
Binani Cement Limited	700.00 (-)		700.00 (-)
<b>Interest paid to</b>			
Binani Cement Limited	2,143.61 (1.96)		2,143.61 (1.96)
Binani Zinc Limited	61.35 (-)		61.35 (-)
<b>Investment as on 31st March 2012</b>			
Sankalp Holdings Limited	48.25 (15.31)		48.25 (15.31)
Binani Cement Limited	58,056.64 (42,622.40)		58,056.64 (42,622.40)
Goa Glass Fibre Limited	3,783.04 (7,417.74)		3,783.04 (7,417.74)
Wada Industrial Estate Limited	237.78 (237.78)		237.78 (237.78)
BT Composites Limited	300.00 (500.00)		300.00 (500.00)
BIL Infratech Limited	1,500.00 (5.00)		1,500.00 (5.00)
Binani Readymix Concrete Limited	(-) (10.00)		(-) (10.00)
Binani Zinc Limited	6,078.81 (6,078.81)		6,078.81 (6,078.81)
Glass Fibre Holding I SARL Luxembourg (Formerly known as BIL Holding I SARL)	32,672.49 (-)		32,672.49 (-)
CPI Binani, Inc.	1,234.58 (1,234.58)		1,234.58 (1,234.58)
BIL Holding II SARL Luxembourg	8.30 (-)		8.30 (-)
BIL Holding III SARL Luxembourg	8.30 (-)		8.30 (-)
Binani Energy Private Limited (Application money)	3.47 (-)		3.47 (-)
Glass Fibre Holding I SARL, Luxembourg (Application money) (Formerly known as BIL Holding I SARL)	3,114.38 (-)		3,114.38 (-)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	(Rs. In Lakhs)		
	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
Binani Cement Limited (Application money)	38.87 (-)		38.87 (-)
<b>Balance outstanding as on 31st March 2012 Due from</b> Wada Industrial Estate Limited	<b>127.37</b> (114.40)		<b>127.37</b> (114.40)
B T Composites Limited	<b>418.35</b> (397.45)		<b>418.35</b> (397.45)
Goa Glass Fibre Limited	<b>1,500.00</b> (500.00)		<b>1,500.00</b> (500.00)
Binani Readymix Concrete Limited	<b>(-)</b> (30.87)		<b>(-)</b> (30.87)
CPI Binani, Inc.	<b>4,170.07</b> (3,336.05)		<b>4,170.07</b> (3,336.05)
BIL infratech Limited	<b>0.16</b> (-)		<b>0.16</b> (-)
Binani Cement Factory LLC	<b>1.23</b> (-)		<b>1.23</b> (-)
<b>Due to</b>			
Glass Fibre Holding I SARL	<b>69.66</b> (-)		<b>69.66</b> (-)
Binani Zinc Limited	<b>2,000.00</b> (-)		<b>2,000.00</b> (-)
Binani Cement Limited	<b>39,950.00</b> (5,500.00)		<b>39,950.00</b> (5,500.00)
Golden Global Pte Ltd (Singapore Company), Assignee of Promotor		<b>952.55</b>	<b>952.55</b>
		(-)	(-)

(Figures in bracket pertain to previous year)

**Note:**

1 Guarantees given to Banks & Financial Institutions on behalf of subsidiaries have been separately disclosed vide note no 25.

**2 Names of related parties and description of relationship:**

- a) Subsidiaries / step down subsidiaries where control exists : Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), B T Composites Limited (BTCL), Wada Industrial Estate Limited (WIEL), Binani Energy Private Limited (BEPL), CPI Binani, Inc. U.S.A (CPI), Glass Fibre Holding I SARL, Luxembourg, BIL Holding II SARL, Luxembourg, BIL Holding III SARL, Luxembourg, Sankalp Holdings Limited (Cyprus), BIL Infratech Limited, Binani Infrastructure (Mauritius) Limited, Mauritius, Abhinav Holdings Limited, Cyprus (AHL), R.B.G. Minerals Industries Limited, BZ Minerals (Australia) Pty Limited, Australia, BZ Minerals (Luxembourg) Sarl, Krishna Holding Pte. Limited, Singapore (KHL), Shandong Binani Rong'An Cement Co. Limited, China (SBRCC), Mukundan Holdings Limited, British Virgin Island (MHL), Binani Cement Factory LLC, UAE (BCFLLC), Murari Holdings Limited, British Virgin Island (MuHL), Bhumi Resources (Singapore) Pte Limited Singapore, Binani Cement Factory (Mauritius) Limited, Mauritius, Binani Cement Factory (SFZ) Limited, Sudan, BC Tradelink Limited,

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

Tanzania, Binani Cement Co. Limited, (South Sudan), Binani Cement Co. Limited, (Sudan), Binani Cement Factory (Kenya) Limited, Kenya, Binani Cement SARL, Djibouti, Binani Cement (Uganda) Limited, Uganda, PT Anganna Energy Resources, Indonesia, Binani Cement Company WLL, Kuwait, Swiss Merchandise Infrastructure Limited, Merit Plaza Limited, Binani Ready Mix Concrete Limited, Binani Mineral Resources (Mangolia) LLC, Weighbridge Investments (Pty) Limited, Botswana, Christo schutte Investment Number Nine (Pty) Limited. Namibia, Binani Cimentos (Mozambique) LDA, Transafrica Cement Limited (Mauritius), Rightside Investment Pty. Limited, Republic of South Africa Project Bird Holding S.a.r.l.(Luxembourg), Project Bird Holding II S.a.r.l. (Luxembourg), Project Bird Holding III A S.a.r.l.(Luxembourg), Project Bird Holding III B S.a.r.l.(Luxembourg), Project Bird Holding III C S.a.r.l.(Luxembourg), 3B - Fibreglass SPRL (Belgium), 3B - Fibreglass AS (Norway), Tunfib SARL (Tunisia).

- b) Key Management Personnel: Mr. Braj Binani and Mr. Sunil Sethy. Managerial Remuneration paid to Mr Sunil Sethy during the year ended 31st March 2012 was Rs.155.06 Lakhs (Previous Year Rs.146.64 Lakhs).
- c) Enterprises where Key Management Personnel have got significant influence: Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Co. Private Limited, Lexus Holding & Finance Private Limited and Miracle Securities Private Limited. Mr. Sunil Sethy in Radix Technologies.

### (b) Loans and advances in the nature of Loans given /(received) from Subsidiaries etc.

(Rs. In Lakhs)				
Sr no.	Name of the Company	Relationship	As at March 31, 2012	Maximum Balance during the year 2011-12
1	BT Composites Limited	Subsidiary	<b>418.35</b> (-)	<b>418.35</b> (-)
2	Goa Glass Fibre Limited	Subsidiary	<b>1,500.00</b> (500.00)	<b>1,500.00</b> (1,011.96)
3	Wada Industrial Estate Limited	Subsidiary	<b>127.37</b> (114.40)	<b>127.37</b> (114.40)
4	Binani Ready Mix Concrete Ltd	Subsidiary	- (30.87)	<b>30.90</b> (30.87)
5	CPI Binani, Inc.	Subsidiary	<b>4,170.07</b> (3336.05)	<b>4,233.38</b> (3336.05)
6	Binani Energy Pvt. Ltd	Subsidiary	<b>Nil</b> Nil	<b>7.53</b> Nil
7	Glass Fibre Holding SARL I	Subsidiary	<b>(69.66)</b> Nil	<b>76.74</b> Nil

(Figures in bracket pertain to previous year)

Except Loan to CPI Binani, Inc., Loans and Advances shown above fall under the category of Loans and Advances in the nature of loans (through intra Company current accounts) where there is no fixed repayment schedule. Advance given to Binani Ready Mix Concrete Limited, Binani Energy Private Limited, BT Composites Limited and Wada Industrial Estate Limited are interest free.

### **Note No. 36**

As the Company does not have information as to which of its trade payable is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note No. 37****EMPLOYEE BENEFITS DISCLOSURE AS PER AS 15(REVISED) ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED).:**

a) Defined benefit plans as per actuarial valuation on 31st March, 2012.

(Rs. In Lakhs)

		Gratuity Funded	
		31.03.2012	31.03.2011
<b>I</b>	<b>Expenses recognised in the Statement of Profit and Loss for the year ended 31st March, 2012</b>		
1	Current Service Cost	22.67	16.20
2	Interest Cost	8.48	7.45
3	Employees Contributions	-	-
4	Expected return on plan assets	(11.45)	(5.51)
5	Net Actuarial (Gains) / Losses	35.32	(2.52)
6	Past Service Cost	-	-
7	Settlement Cost	-	-
8	Total Expenses	55.03	15.62
<b>II</b>	<b>Net Asset/ (Liability) recognised in the Balance Sheet as at 31 st March, 2012</b>		
1	Present value of Defined Benefit Obligation as at the end of the year	158.36	102.82
2	Fair value of plan assets as at the end of the year	143.57	143.06
3	Funded status [Surplus/(Deficit)]	(14.79)	40.24
4	Net asset/ (Liability) as at the end of the year	(14.79)	40.24
<b>III</b>	<b>Change in obligation during the year ended 31st March, 2012</b>		
1	Present value of Defined Benefit Obligation at beginning of the year	102.82	90.31
2	Current Service Cost	22.67	16.20
3	Interest Cost	8.48	7.45
4	Settlement Cost	-	-
5	Past Service Cost	-	-
6	Employees Contributions	-	-
7	Actuarial (Gains) / Losses	33.27	(1.81)
8	Benefits Payments	(8.89)	(9.33)
9	Present value of Defined Benefit Obligation at end of the year	158.36	102.82
<b>IV</b>	<b>Change in Assets during the year ended 31st March, 2012</b>		
1	Plan assets at beginning of the year	143.06	68.87
2	Assets acquired on amalgamation in previous year	-	-
3	Settlements	-	-
4	Expected return on plan assets	11.45	5.51
5	Contributions by Employer	-	77.31
6	Actual benefits paid	(8.89)	(9.33)
7	Actuarial Gains / (Losses)	(2.04)	0.71
8	Plan assets at end of the year	143.57	143.06
9	Actual return on plan assets	9.40	6.22

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. In Lakhs)

		Gratuity Funded	
		31.03.2012	31.03.2011
<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>		
	Qualifying Insurance Policy	YES	YES
<b>VI</b>	<b>Actuarial Assumptions</b>		
	Discount Rate	8.50%	8.25%
	Salary Escalation	4.00%	4.00%
b) Provision towards liability for Leave Encashment is made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability as on 31.03.2012 is Rs.102.95 Lakhs (Previous Year Rs. 81.65 Lakhs) based upon following assumptions.			
	Discount Rate		8.50%
	Salary Escalation		4.00%

### Note No. 38

During the year, the incumbent Company Secretary resigned. The Company has made efforts to recruit the Company Secretary during the year. At year end Company has issued appointment letter to a Company Secretary who has accepted the appointment and expected to join shortly.

### Note No. 39

Till the year ended 31st March 2011, the Company was using pre-revised schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified Previous year's figures to confirm this year's classification. Except accounting for dividend on investment subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principal followed for preparation of financial Statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

As per our report of even date attached

#### For KANU DOSHI ASSOCIATES

Chartered Accountants  
Firm Registration No. 104746W

#### JAYESH PARMAR

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

#### For and on behalf of Board of Directors

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Place : Mumbai  
Date : 21st April, 2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Cash Flow From Operating Activities</b>		
<b>Net Profit Before Tax</b>	2,002.60	1,146.02
Adjustments for:		
Depreciation	64.63	40.01
Interest & financial charges	10,672.01	3,383.97
(Profit)/Loss on sale/discard of Fixed Assets (net)	10.76	0.49
Excess Provision / Liabilities no longer required written back	(4.51)	(4.56)
Unrealised gain on exchange rate fluctuation (Net)	(315.50)	-
Interest and Dividend Income	(4,766.71)	(5,064.18)
Net (Gain)/Loss on sale of Non Current Investment subsidiaries	(3,626.70)	-
Diminution in value of investment in subsidiaries	200.00	-
<b>Operating Profit / ( Loss ) Before Working Capital Changes</b>	4,236.58	(498.25)
Adjustments for:		
Trade and Other Receivables	626.20	(8,084.53)
Trade and Other Payables	1,263.10	277.14
<b>Cash Generated from/ (used in) operations</b>	6,125.89	(8,305.64)
Direct Taxes Paid (including TDS)	(369.86)	(416.67)
<b>A Net Cash from / (used in) operating activities</b>	5,756.03	(8,722.31)
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets including CWIP	(421.66)	(57.95)
Sale of Fixed Assets	4.03	0.50
Investments in subsidiaries	(39,452.74)	(44,382.30)
Sale of investment in subsidiaries	7,626.70	-
Advances to subsidiaries (Net)	(1,329.49)	(3,909.66)
Interest and dividend income received	4,727.45	5,064.18
<b>B Net Cash flow from / (used in) Investing Activities</b>	(28,845.71)	(43,285.23)
<b>Cash Flows from Financing Activities</b>		
Proceeds - Unsecured Loans from subsidiaries	37,200.00	5,500.00
Proceeds - Unsecured Loans from others	1,275.00	-
Proceeds - Secured Loans from Banks	20,999.84	60,000.00
Repayment of Unsecured loan/ICD's to Subsidiaries	(750.00)	(9,032.42)
Repayment of Loan to Bank	(19,328.71)	(5,000.00)
Repayment of ICD's - Others	(150.00)	-
Interest & finance charges paid	(10,572.33)	(3,383.97)
Dividend paid	(860.09)	(857.01)
<b>C Net Cash flow from / (used in) Financing Activities</b>	27,813.71	47,226.60
<b>D Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	4,724.02	(4,780.94)
<b>E Cash and cash equivalents at the beginning of the year</b>	736.81	5,517.75
<b>F Cash &amp; Cash Equivalents at the end of the year (D+E) (Cash and Bank Balances)</b>	5,460.83	736.81

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Place : Mumbai  
Date : 21st April, 2012



## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BINANI INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### To the Board of Directors of Binani Industries Limited

1. We have audited the attached Consolidated Balance Sheet of Binani Industries Limited ("the Company") and its subsidiaries (including step down subsidiaries) (collectively referred to as "the group") as at 31st March, 2012 and the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of a subsidiary Binani Cement Limited, which reflect total assets of Rs. 320,713 lakhs as at 31st March, 2012, total revenue of Rs. 205,668 lakhs and net cash outflow of Rs.14,866 lakhs for the year then ended, have been audited by us.
4.
  - a) We have not audited the financial statements of the eleven subsidiaries (including five step down subsidiaries) included in the consolidated financial statements. These financial statements have been audited for the financial year ended 31st December, 2011. However, the management has compiled these financial statements for the year 1st April, 2011 to 31st March, 2012. These financial statements reflect total assets of Rs. 271,868 Lakhs as at 31st March, 2012, total revenue of Rs. 29,340 Lakhs and net cash outflow of Rs. 4,405 Lakhs for the year then ended.
  - b) Further, we have not audited the financial statements of twelve subsidiaries (including three step down subsidiaries) included in consolidated financial statements whose financial statement reflects total assets of Rs. 74,461 Lakhs as at 31st March, 2012, total revenue of Rs. 63,751 Lakhs and net cash inflow of Rs. 3,721 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.
  - c) We have relied on the unaudited financial statements and financial information furnished by the management with respect to twenty six subsidiaries (including twenty three step down subsidiaries), whose financial statements reflect total assets of Rs. 238,245 lakhs as at 31st March, 2012, total revenue of Rs. 23,252 lakhs and net cash inflow of Rs. 9,757 lakhs for the period / year then ended. We are unable to comment upon the resultant impact, if any, on the loss, assets and liabilities of the consolidated financial statements of the Group as at 31st March, 2012, had the subsidiaries (including step down subsidiaries) mentioned in para 4(a) and 4(c) been audited.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of separate financial statements of its subsidiaries.
6. Further to our comments as above, we report that;  
Without qualifying our report we invite attention to note no. 41, regarding appointment of Company Secretary.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements of the components as explained in para 4(b) and financial statements compiled and furnished by the management for remaining components as explained in para 4(a) and 4(c) above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### For KANU DOSHI ASSOCIATES

Chartered Accountants  
Firm Registration. No: 104746W

### Jayesh Parmar

Partner  
Membership No.: 45375

Place : Mumbai  
Date : April 21, 2012

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lakhs)

Particulars	Note No.	31st March, 2012	31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	2,961.52	2,961.52
(b) Reserves and Surplus	4	36,833.88	37,609.31
		<b>39,795.40</b>	40,570.83
<b>MINORITY INTEREST</b>		7,453.86	6,635.66
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	344,511.99	176,129.50
(b) Deferred tax liabilities (net) (refer note 32)		37,388.13	19,794.00
(c) Other Long term liabilities	6	4,009.19	3,184.67
(d) Long term provisions	7	5,223.41	495.95
		<b>391,132.72</b>	199,604.12
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	8	21,290.49	24,560.39
(b) Trade payables	9	81,112.45	46,961.90
(c) Other current liabilities	10	127,947.22	90,619.48
(d) Short-term provisions	11	6,323.08	2,154.37
		<b>236,673.24</b>	164,296.14
<b>TOTAL</b>		<b>675,055.22</b>	411,106.75
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	12	385,110.22	167,935.69
(ii) Intangible assets	12	96,437.28	68,084.44
(iii) Capital work-in-progress		21,371.84	34,632.49
(iv) Intangible assets under development		2,208.29	-
		<b>505,127.63</b>	270,652.62
(b) Non-current investments	13	66.42	4,007.90
(c) Deferred tax assets (net)		6,477.66	730.00
(d) Long term loans and advances	14	20,158.48	29,876.13
(e) Other non-current assets		828.93	-
		<b>532,659.12</b>	305,266.65
<b>CURRENT ASSETS</b>			
(a) Current investments		-	-
(b) Inventories	15	60,815.83	35,126.99
(c) Trade receivables	16	13,300.34	4,045.03
(d) Cash and bank balances	17	48,344.70	50,326.11
(e) Short-term loans and advances	18	17,100.18	16,017.48
(f) Other current assets	19	2,835.05	324.49
		<b>142,396.10</b>	105,840.10
<b>TOTAL</b>		<b>675,055.22</b>	411,106.75
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Place : Mumbai  
Date : 21st April, 2012

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lakhs)

Particulars	Note No.	31st March, 2012	31st March, 2011
<b>INCOME</b>			
Revenue from operations	20	342,303.83	273,455.55
Less : Excise duty		35,367.23	30,732.00
Revenue from operations (net)		306,936.60	242,723.55
Other income	21	8,484.71	2,014.99
<b>TOTAL REVENUE</b>		<b>315,421.31</b>	<b>244,738.54</b>
<b>EXPENSES</b>			
Cost of materials and services consumed	22	86,409.47	65,614.86
Purchase of stock-in-trade		2,178.13	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		987.05	254.42
Employee benefits expenses	23	19,258.84	10,946.19
Financial costs	24	32,464.10	19,015.82
Depreciation and amortization expense		17,648.53	14,172.93
Other expenses	25	171,891.33	138,119.68
<b>TOTAL EXPENSES</b>		<b>330,837.45</b>	<b>248,123.90</b>
<b>Earnings before prior period item, exceptional and extraordinary items and tax</b>		<b>(15,416.14)</b>	<b>(3,385.36)</b>
<b>Exceptional Item</b>			
Prior period expenses		29.86	658.49
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(15,446.00)</b>	<b>(4,043.85)</b>
Extraordinary items		20.90	1,774.96
<b>Profit / (Loss) before tax</b>		<b>(15,466.90)</b>	<b>(5,818.81)</b>
Tax expense:			
Less -Current tax		1,338.83	96.04
Less -Tax of earlier years		46.26	47.81
Less -Deferred tax (net)		(252.14)	23.00
Less - MAT credit entitlement		-	-
Less - Fringe benefit tax		3.11	-
Add -Excess FBT provision of earlier years written back		3.07	0.59
Add -Excess provision of earlier written back		-	1,145.14
<b>Profit / (Loss) for the period from continuing operations</b>		<b>(16,599.89)</b>	<b>(4,839.93)</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

(Continued..)

(Rs. in Lakhs)

Particulars	Note No.	31st March, 2012	31st March, 2011
<b>Profit / (Loss) from discontinuing operations</b>		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations		-	-
<b>Profit / (Loss) for the year</b>		<b>(16,599.89)</b>	<b>(4,839.93)</b>
<b>Earning per equity share:</b>			
Basic		<b>(56.09)</b>	(16.35)
Diluted		<b>(56.09)</b>	(16.35)
Nominal value per Equity Shares (in Rs.)		<b>10</b>	10.00
Number of shares used in computing earning per share		<b>29,596,425</b>	29,596,425
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

Place : Mumbai  
Date : 21st April, 2012

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

## NOTES ATTACHED ON CONSOLIDATED BALANCE SHEET & STATEMENT OF PROFIT AND LOSS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2012

### **Note No. 1 CORPORATE INFORMATION**

Binani Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

### **Note No. 2 SIGNIFICANT ACCOUNTING POLICIES**

#### **(i) Basis of Accounting**

The accompanying consolidated financial statements of the Company and its Subsidiary Companies have been prepared under the historical cost convention and on accrual basis in accordance with accounting principles generally accepted in India and in compliance with all material aspect of Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of Companies Act, 1956.

#### **ii) Basis of preparation**

- a) The financial statements of the Company and its subsidiary companies are consolidated on a line-by-line item basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) During the previous year, the consolidation of some of the overseas subsidiaries financial statements for their year/period ending 31st December, 2010 were consolidated with BIL's accounts for the year ending 31st March, 2011. This resulted into a time gap of 3 months between the financial periods of Holding Company and subsidiaries' financial statements. To bridge such time gap, during the previous year, the financial statements of overseas subsidiaries for their respective period ending 31st March, 2011 have been considered for consolidation with the BIL's financial statements for the year ending 31st March, 2011.
- c) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding Company's separate financial statements, as far as possible, except as provided under para 2(iv) (e), 2(iv) (f), 2(iv) (g), 2(vi) (b), 2(vi) (d), 2 (viii) (g), 2(x) (e), 2 (xi) (b), 2(xii) (b), 2 (xii) (c), 2 (xiii) (d), 2 (xv), 2 (xvii) (b), 2 (xxiv) and 2 (xxv)
- d) In case of financial statements of an non-integral foreign operation, the assets and liabilities are translated at the closing rate. Income and expense items are translated at exchange rates at an average rates and all resulting exchange differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.
- e) Minority Interest's share of net profit of consolidated subsidiaries for the year/period is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Financial Statement separate from liabilities and the equity of the company's shareholders.

#### **(iii) USE OF ESTIMATES**

The preparation of the financial statements, are in conformity with the generally accepted accounting principles, requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

**(iv) REVENUE RECOGNITION**

- a) Domestic sales are accounted for on transfer of substantial risks and rewards which generally coincide with despatch of products to customers and Export sales are accounted on the basis of dates of Bill of Lading. Sales are net of Rebates & Discounts.
- b) In case of sale of Carbon Credits (Certified Emission Reductions), revenue is recognized on submission of application with UNFCCC after execution of agreement with the buyer.
- c) Export benefits are accounted on the basis of application filed with the appropriate authority. In case of BZL, export incentives are recognized on exports on accrual basis, and based on the estimated realisable values of such entitlements.
- d) Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on accrual basis.
- e) In case of Shandong Binani Rong An Cement Company, Limited (SBRCC), subsidy income is recognized when received and revenue from operating lease is recognized on a straight line basis over the period of the lease.
- f) In case of Binani Cement Factory LLC (BCF LLC) & its subsidiaries, revenue from sale of goods is recognized when goods are delivered and title has passed.
- g) In case of Glass Fibre Holding & its Subsidiaries and Binani Cement Factory LLC (BCF LLC), interest income is recognized on effective yield basis.
- h) Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.
- i) Income from service are recognized on accrual basis.
- j) In case of BIL Infratech Limited & Binani Infrastructure Mauritius Limited, revenue on contracts is recognized on percentage of completion method wherein the stage of completion is determined with reference to the ratio of the contract cost incurred for work performed upto the reporting date to the estimated total contract cost. In the case of unit rate contracts the stage of completion is determined with reference to the valuation of the actual amount of work completed as per the contracted rates. In case where milestones are fixed, to determine the stage of completion, revenue is recognized on achievement of each such milestones or part thereof as per the terms of respective contracts. Revenue earned on contracts awarded by the Companies under same management are recognized on billed amount basis.
- k) In case of CPI BINANI, INC, the Company recognizes technology license fee revenue and royalty revenue when earned and equipment and moulded products sales when the equipment and moulded products are shipped.

**(v) ACCOUNTING OF CLAIMS**

- a) Claims receivable are accounted at the time when reasonable certainty of receipt is established. Claims payable are accounted at the time of acceptance.
- b) Claims raised by Government Authorities regarding taxes and duties, are accounted for based on the merits of each claim. If same is disputed by the Company, these are shown as 'Contingent Liabilities'.

**(vi) TANGIBLE FIXED ASSETS**

- a) Fixed Assets are stated at cost, net of CENVAT less specific grants received, if any and accumulated depreciation and impairment loss if any. Cost includes trial run and stabilisation expenses, interest, finance costs and incidental expenses upto the date of capitalization. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits arising from the existing assets beyond its previously assessed standard of performance.
- b) In case of SBRCC, Fixed Assets include assets related to the operation of the Company having useful life over one year and other than the main production equipments with individual values of over RMB 2,000 equivalent to Rs. 16,440/- as on March 31, 2012 having useful life in excess of two years.

- c) Capital Work-in-Progress includes cost of fixed assets that are not yet ready for the intended use, at the Balance Sheet Date.
- d) In respect of Glass Fibre Holding I S.a.r.l.(GFH) and its subsidiaries, expenditure on major repairs and maintenance of Furnaces which take place approximately every 7 years are capitalised in the cost of Furnaces.

## **(vii) INTANGIBLE ASSETS**

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

## **(viii) DEPRECIATION AND AMORTISATION**

- a) Depreciation on Plant and Machinery is provided on Straight Line Method (SLM) (except office equipment & transport equipment for Binani Zinc Limited and except for computer in R.B.G. Minerals Industries Limited (RBG) where it is provided on WDV method) , at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 as applicable for continuous process plant or as per the useful life of the asset estimated by the management which is higher than schedule XIV rate, except silos where the general rate of depreciation is considered.
- b) Depreciation on other Fixed Assets has been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956 including asset constructed on land not owned by the Company. However Buildings & Roads inside plant are treated as Factory Buildings and depreciation charged accordingly.
- c) The total expenditure on mine exploration and development is amortized in the ratio of ore extracted to the total estimated exploitable reserves.
- d) Leasehold land is amortized over the period of lease.
- e) Assets having individual value below Rs. 5,000 are depreciated @ 100% and mobile phones are charged to revenue considering their useful life to be less than one year.
- f) Expenditure on major computer software is amortized over the period of five years.
- g) In case of Binani Ready Mix Concrete Limited, Shandong Binani Rong'An Cement Company Limited, Binani Infrastructure (Mauritius) Limited, CPI Binani INC, Bhumi Resources Pty. Limited, PT Anggana Energy Resources, Glass Fibre Holding Limited & its subsidiaries and Binani Cement Factory LLC & its subsidiaries, the depreciation on fixed assets and intangible assets is provided for on SLM basis over the estimated useful life at rates permissible under applicable local laws.
- h) Other Intangible assets are amortised equally over the useful life and goodwill on consolidation is not amortised.

## **(ix) IMPAIRMENT OF ASSETS**

At the end of each reporting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the earlier accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

## **(x) VALUATION OF INVENTORIES**

- a) Raw Material, Fuel (except for coal lying at Port), Packing Materials, Stores & Spares is valued at lower of moving weighted average cost (net of Cenvat) and net realisable value. Coal lying at Port is valued at cost on specific consignment basis plus custom duty. Loose Tools are charged over a period of three years. However, materials held for use in the production of inventories are not written down below cost if the finished products in which they are used and expected to be sold at or above cost.

- b) Work – in – Process is valued at weighted average cost.
- c) Finished Goods are valued at lower of weighted average cost and Net Realisable Value. Cost for this purpose includes direct cost, attributable overheads and excise duty.
- d) Store and Spares have been valued at lower of weighted average cost ( net of CENVAT) and net realisable value.
- e) In case Binani Cement Factory LLC (BCF), Dubai, Stock are valued at the cost or net realisable value. Raw Materials comprising of Clinker & Slag and Packing Materials are valued at cost using the First in First out (FIFO) method. Consumables are valued at cost using specific identification method. Raw Material comprising of gypsum and limestone are valued at cost using the Weighted Average Method (WAM). In case of Glass Fibre Holding I S.a.r.l.& Its Subsidiaries finished goods are valued at the lower of cost or net realisable value. Cost is determined using First in First out (FIFO) method.
- f) In case of Binani Zinc Ltd, by product are value at estimated selling price.

#### (xi) INVESTMENTS

- a) Investments classified as long term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.
- b) In case of Sankalp Holding Ltd, Unrealised gains or loss arising from the change in the fair value of investment are recognized in the statement of comprehensive income. Investment are shown at cost.

#### (xii) FOREIGN EXCHANGE TRANSACTIONS

- a) Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of Profit and Loss. In case of forward contracts (non speculative), the exchange differences are dealt with in the Statement of Profit and Loss over the period of contracts. Exchange difference arises on a monetary items in substance form part of enterprises net investment in non integral foreign operation is accumulated in a foreign currency translation reserve till the disposal of the net Investment. Non-monetary items at the balance sheet date are stated at historical cost. Year end Foreign Debtors/Creditors are restated as per the rate prevailing on the date of closing of the accounts for respective currencies.
- b) In case of SBRCC, the accounting of foreign exchange transaction is as follows:

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the first day of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been taken out specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term prepaid expenses.

- c) In case of Sankalp Holding Ltd and Abhinav Holding Ltd: Functional and presentation currency: Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

Transaction and Balances: Foreign exchange are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year - end exchange rates of monetary assets and liabilities denominated in foreign currencies and recognized in the statements of comprehensive income.



- d) Exchange differences arising on long term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned Monetary item.

## **(xiii) EMPLOYEE BENEFITS**

### a) Defined Contribution Plan

Contribution to defined contribution plans are recognized as expense in the Statement of Profit and Loss, as they are incurred.

### b) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

### c) Short Term Employee Benefit

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employees renders the related services.

### d) Employees' benefits

i) In case of BCF LLC, Provision is made for service benefits (gratuity) payable to employees in accordance with UAE Labour Law regulations and is based on current remuneration and cumulative period of service at the reporting date.

ii) In case of BCF LLC's Subsidiaries and PT Anggana Energy Resources, the provision for liability is provided in accordance with laws of country in which the company is operating.

## **(xiv) BORROWING COSTS**

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset, upto the date when such asset is ready for its intended use or sale. Other borrowing costs are recognized as expenses in the period in which they are incurred.

## **(xv) STATUTORY RESERVE**

- a) In case of BCF LLC, statutory reserve is created by appropriating 10% of the profit of the company as required by Article 255 of the UAE Commercial Companies Law No.8 of 1984, as amended. The Company can discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.
- b) In case of Binani Cement Company WLL, Kuwait, Kuwait Commercial Companies' Law and the Company's articles and memorandum of association requires that 10% of the profit for the year, before contribution to Kuwait Foundation for Advancement of Science and directors' remuneration, is transferred to the statutory reserve. The Company may resolve to discontinue such transfer when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except for payment of dividend of 5% of paid up share capital in years when profit is not sufficient for the payment of such dividend.

## **(xvi) INCOME TAXES**

- a) Tax expense comprises of current tax and deferred tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", issued by the ICAI. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income taxes reflect the impact of the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty

that sufficient future taxable income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same.

- b) In case of foreign subsidiary and step down subsidiary companies Income Tax / Deferred Tax have been provided in accordance with laws of country in which the Company is operating.
- c) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **(xvii) CONTINGENCIES/PROVISIONS**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the accounts.

#### **(xviii) ACCOUNTING OF CAPITAL SUBSIDY**

In case of BT Composites Limited investment subsidy under State Investment incentive Scheme not specifically related to a fixed asset is credited to Capital Reserve and retained till the requisite conditions are fulfilled.

#### **(xix) RISK MANAGEMENT TRANSACTIONS**

In case of Binani Zinc Limited, the Company uses derivative instruments to hedge the risk of movements in commodity prices. The use of these instruments reduces the risk or cost to the Company and the Company does not use such instruments for trading or speculation purposes. The Company recognizes gain or loss on effective hedges on settlement. Unrealised gain/loss as at the Balance sheet date is not recognized. In case of GFH and its Subsidiaries, Commodity forward contracts (derivatives) are initially recognised at the fair value and at the end of each reporting period fair values are re-measured. Derivatives with the positive market values are included in the assets and derivatives with negative market values are included in liabilities. Change in fair value are recognised in the Statement of Profit and Loss.

#### **(xx) SEGMENT REPORTING POLICIES :**

Primary Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geographical area in which major operating divisions of the Company operate.

#### **(xxi) OPERATING LEASE :**

The lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

**(xxii) EARNING PER SHARE :**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(xxiii) EXPENDITURE DURING CONSTRUCTION PERIOD**

BCL: In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

**(xxiv) DERIVATIVES**

In case of BCF LLC, Derivatives are stated at fair values. Derivatives with positive market values (unrealised gains) are included in assets and derivatives with negative market values (unrealised losses) are included in liabilities. Change in fair values are recognized in profit or loss.

**(xxv) LONG TERM PREPAID :**

In case of SBRCC, the expenses incurred during the Company's pre-operating period were recorded as long-term prepaid expenses and were expensed in the first month of commercial operations.

**(xxvi) CASH & CASH EQUIVALENTS**

Cash & cash equivalent for the purpose of Cash Flow Statement comprise cash in hand and at bank in current accounts and deposit accounts with maturity less than 3 months.

**(xxvii) PRINCIPLES OF CONSOLIDATION**

**Subsidiaries / step down subsidiaries considered for consolidation :**

The financial statements of all Indian Subsidiaries including Indian Step down subsidiaries are consolidated on the basis of their stand alone / consolidated accounts available for the year ended 31st March, 2012.

**1. Indian Subsidiaries considered for Consolidation**

Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), BT Composites Limited (BTCL), Wada Industrial Estate Limited (WIEL), BIL Infratech Limited, Binani Energy Private Limited (BEPL) are the Indian subsidiaries whose accounts have been considered for consolidation. GGFL, BTCL, WIEL and BIL Infratech Limited are wholly owned subsidiaries (either directly or through another subsidiary), whereas in case of BCL, BIL's shareholding is 96.36% (Previous Year 95.01%) and in case of BZL, BIL's shareholding is 89.90% (Previous Year 89.90%).

**2. Step down subsidiaries**

**a) Indian step down subsidiaries:**

R.B.G. Minerals Industries Limited (RBG) is wholly owned Indian subsidiary of BZL and Swiss Merchandise Infrastructure Ltd, Binani Ready Mix Concrete Limited (RMC) and Merit Plaza Ltd are wholly owned Indian subsidiaries of BCL,

## b) Overseas Subsidiary / Step down subsidiary :

- i) The Consolidated Financial Statements include the financial statements of the following overseas subsidiaries and overseas step down subsidiaries:

Name of Company	Relation with Holding Company	Country of Incorporation	% of Share Holding	Accounting Year / Period considered for consolidation
Krishna Holdings Pte Limited (KHL)	Step-down Subsidiary of BIL (Subsidiary of BCL)	Singapore	100%*	April'11 - March'12
Murari Holdings Limited (MUHL)	-do-	British Virgin Islands	100%	April'11 - March'12
Mukundan Holdings Limited (MHL)	-do-	British Virgin Islands	100%	April'11 - March'12
Bhumi Resources (Singapore) PTE Limited (BHUMI)	-do-	Singapore	100%	April'11 - March'12
Binani Mineral Resources (Mongolia) LLC	Step-down Subsidiary of BIL (Subsidiary of KHL)	Mongolia	100%	June'11 - March'12
Shandong Binani Rong'An Cement Company Limited (SBRCC)	Stepdown Subsidiary of BIL.(Subsidiary of KHL).	China	90%	April'11 - March'12
Binani Cement Factory LLC. (BCF)	Step-down Subsidiary of BIL (Subsidiary of MHL & MUHL).	United Arab Emirates	100%	April'11 - March'12
Binani Cement Company WLL	Step-down Subsidiary of BIL (Subsidiary of Binani Cement Factory LLC, Dubai).	Kuwait	100%	April'11 - March'12
Binani Cement Factory (SFZ) Limited	-do-	Republic of Sudan	100%	April'11 - March'12
BC Tradelink Limited	-do-	Tanzania	100%	April'11 - March'12
Binani Cement Factory (Kenya) Limited	-do-	Kenya	100%	April'11 - March'12
Binani Cement (Uganda) Limited	-do-	Uganda	100%	April'11 - March'12
Binani Cement S.a.r.l.(Djibouti)	-do-	Djibouti	100%	April'11 - March'12
Binani Cement Factory Mauritius	-do-	Mauritius	100%	April'11 - March'12
Binani Cement Co Limited (Sudan)	-do-	Sudan	100%	April'11 - March'12
Rightside Investments (Pty) Limited	-do-	Republic of South Africa	100%	May'11 - March'12
Binani Cement Co Limited (South Sudan)	-do-	South Sudan	100%	July'11 - March'12
Trans Africa Cement Limited (Mauritius )	-do-	Mauritius	100%	June'11 - March'12

Name of Company	Relation with Holding Company	Country of Incorporation	% of Share Holding	Accounting Year / Period considered for consolidation
Weighbridge Investments (Pty) Limited, Botswana	-do-	Botswana	100%	April'11 - March'12
Christo Schutte Investments Number Nine (Pty) Limited, Namibia	-do-	Namibia	100%	April'11 - March'12
Binani Cimentos (Mozambique) LDA	-do-	Mozambique	100%	June'11 - March'12
PT Anggana Energy Resources	Step-down Subsidiary of BCL (Subsidiary of Bhumi Resources (Singapore) Pte Limited).	Indonesia	100%	April'11 - March'12
Binani Infrastructure (Mauritius) Limited	Step-down Subsidiary of BIL (Subsidiary of BIL Infratech Limited).	Mauritius	100%	April'11 - March'12
CPI Binani , INC. (USA)	Subsidiary of BIL	USA	100%	April'11 - March'12
BZ Minerals (Australia) Pty Limited	Step-down Subsidiary of BIL (Subsidiary of BZL).	USA	100%	April'11 - March'12
BZ Minerals (Luxembourg) Pty Limited	Step-down Subsidiary of BIL (Subsidiary of BZL).	USA	100%	January'11 - March'12
Sankalp Holdings Limited (SHL)	Subsidiary of BIL	Cyprus	100%	April'11 - March'12
Abhinav Holdings Limited (AHL)	Step-down Subsidiary of BIL (Subsidiary of SHL)	Cyprus	100%	April'11 - March'12
Glass Fibre Holding I S.a.r.l. (GFH)	Subsidiary of BIL	Luxembourg	100%	September' 11-March'12
BIL Holding II S.a.r.l.(GFH)	Subsidiary of BIL	Luxembourg	100%	September' 11-March'12
BIL Holding III S.a.r.l.(GFH)	Subsidiary of BIL	Luxembourg	100%	September' 11-March'12
Project Bird Holding S.a.r.l.(PBH)	Step-down Subsidiary of BIL (Subsidiary of GFH)	Luxembourg	100%	February' 12-March'12
Project Bird Holding II S.a.r.l.(PBH II)	Step-down Subsidiary of BIL (Subsidiary of PBH)	Luxembourg	100%	February' 12-March'12
Project Bird Holding III C S.a.r.l.(PBH III C)	Step-down Subsidiary of BIL (Subsidiary of PBH II)	Luxembourg	100%	February' 12-March'12

Name of Company	Relation with Holding Company	Country of Incorporation	% of Share Holding	Accounting Year / Period considered for consolidation
TunFib S.a.r.l.	Step-down Subsidiary of BIL (Subsidiary of PBH II)	Tunesia	66.67%	February' 12-March'12
Project Bird Holding III A S.a.r.l.(PBH III A)	Step-down Subsidiary of BIL (Subsidiary of PBH III C)	Luxembourg	100%	February' 12-March'12
Project Bird Holding III B S.a.r.l.(PBH III B)	Step-down Subsidiary of BIL (Subsidiary of PBH II)	Luxembourg	100%	February' 12-March'12
3B-Fibreglass SPRL	Step-down Subsidiary of BIL (Subsidiary of GFH)	Belgium	100%	February' 12-March'12
3B-Fibreglass A/S	Step-down Subsidiary of BIL (Subsidiary of GFH)	Norway	100%	February' 12-March'12

- ii) During the year, the Company acquired 1.35 % stake in BCL , on account of the same the percentage holding is revised to 96.36%.
- iii) During the year, the Company acquired 100 % stake on February, 2012 in Glass Fibre Holding I S.a.r.l.(GFH) and its subsidiaries.
- iv) For calculation of Goodwill / Capital Reserve, the pre acquisition profits and reserves of the acquired subsidiaries, wherever applicable, have been considered on (no. of days) prorata basis.
- v) The excess of cost of investment in the Subsidiary Companies over the Company's portion of equity of the subsidiary at the date of investment made is recognized in the financial statements as goodwill. This goodwill is tested for impairment at the close of each financial year. The excess of Company's portion of equity of the Subsidiary over the cost of the investment therein is treated as Capital Reserve.
- vi) In view of the management, the effect of exception stated in 2 (ii)(c) above is not quantifiable.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
<b>Note No. 3</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,00,00,000 Equity Shares (Previous Year 4,00,00,000) of Rs. 10/- each	4,000.00	4,000.00
60,00,000 (Previous Year 60,00,000) Preference shares of Rs. 100 each	6,000.00	6,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
2,95,96,425 (Previous Year 2,95,96,425) Equity shares of Rs. 10/- each fully paid-up	2,959.64	2,959.64
Add: Amount paid up on forfeited shares	1.88	1.88
<b>TOTAL</b>	<b>2,961.52</b>	<b>2,961.52</b>

### 3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	31st March, 2012		31st March, 2011	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Equity Shares				
At the beginning of the year	29,596,425	2,959.64	29,596,425	2,959.64
Issued during the period	-	-	-	-
Outstanding at the end of the period	29,596,425	2,959.64	29,596,425	2,959.64

### 3.2 Terms /Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend proposed for distribution to equity shareholders was Rs.3.00 (Previous Year Rs.3.00)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders

### 3.3 Details of shareholders holding more than 5% of Share Capital in the Company

	31st March, 2012		31st March, 2011	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>				
Dharmik Commodeal Pvt Ltd,	4,758,750	16.08	4,758,750	16.08
Vijayshree Holdings Pvt Ltd	4,288,300	14.49	-	-

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 4</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>	49.03	49.03
<b>Share Premium</b>	19,595.68	19,595.68
<b>Capital Redemption Reserve</b>		
Opening Balance	1,013.50	-
Add / Less : Transfer from / (to) Statement of Profit and Loss	-	1,450.00
Less: Adjustment on account of Pre-operative Profit	(20.21)	(364.10)
Less :Share of Minority Interest	20.21	(72.40)
Closing balance	1,013.50	1,013.50
<b>Capital Investment Subsidy</b>	65.00	65.00
<b>Debenture Redemption Reserve</b>		
Opening Balance	838.76	1,622.66
Less :Transfer to / from Statement of Profit and Loss	(734.23)	(1,235.09)
Add :Reserve on account of revision of share in Minority Interest	16.18	752.51
Less: Adjustment on account of Pre-operative Profit	(16.18)	(301.32)
Closing balance	104.53	838.76
<b>General Reserve</b>		
Opening Balance	4,633.50	4,499.97
Add: Transfer from Statement of Profit and Loss	137.00	864.56
Add :Reserve on account of revision of share in Minority Interest	105.73	2,086.86
Less: Adjustment on account of Pre-operative Profit	(137.00)	(1,077.00)
Less: Adjustment on account of Pre-operative Profit	(105.73)	(1,740.89)
Closing balance	4,633.50	4,633.50
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	1,092.38	811.47
Add : Exch. Diff. during the year on net Investment in non integral foreign operations	12,828.19	280.91
Closing balance	13,920.57	1,092.38
<b>Foreign Currency Monetary Item Translation Difference A/c</b>		
Opening Balance	-	-
Add : Exch. Diff. during the year on net Investment in non integral foreign operations	3,878.95	-
Closing balance	3,878.95	-
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening Balance	10,321.46	24,153.70
Transferred from Statement of Profit and Loss	(16,599.89)	(4,839.93)
	(6,278.43)	19,313.77
Minority Interest	111.99	297.43
Adjustment of pre-acquisition Profit	(297.62)	(8,211.25)
Adjustment In Minority interest for brought forward profit on account of change in shareholding pattern	307.11	12,430.18
Transfer to Capital Redemption Reserve	-	(1,450.00)
Premium paid on Buy Back of Shares	-	(11,600.00)
Transfer (to) / from Debenture Redemption Reserve	762.00	1,235.09



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
Proposed Dividend	(887.89)	(1,123.32)
Reversal of Dividend Distribution Tax on Proposed Dividend of earlier year	-	27.45
Tax on Proposed Dividend	(144.04)	(764.89)
Adjusted with Credit balance of General reserve	-	167.00
Closing balance	(6,426.88)	10,321.46
<b>TOTAL</b>	<b>36,833.88</b>	<b>37,609.31</b>
<b>Note No. 5</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Debentures</b>		
Secured	-	875.00
	-	875.00
<b>Term Loans</b>		
From Bank		
Secured	289,256.08	113,098.05
Unsecured	12,934.81	20,652.20
	302,190.89	133,750.25
Financial Institutions		
Secured	36,059.88	36,543.74
Unsecured	-	-
	36,059.88	36,543.74
<b>Deferred Payment Liabilities</b>		
Secured	-	-
Unsecured	3,813.53	3,813.54
	3,813.53	3,813.54
<b>Long term maturities of finance lease obligations</b>		
Unsecured	2,447.69	-
	2,447.69	-
<b>Other Loans and advances</b>		
Unsecured	-	1,146.97
	-	1,146.97
<b>TOTAL</b>	<b>344,511.99</b>	<b>176,129.50</b>
<b>Note No. 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade Deposits	4,002.42	3,184.67
Others Liabilities	6.77	-
<b>TOTAL</b>	<b>4,009.19</b>	<b>3,184.67</b>
<b>Note No. 7</b>		
<b>LONG TERM PROVISIONS</b>		
Site Restoration Obligation	1,418.65	-
Gratuity (unfunded)	320.23	105.30
Leave Encashment (unfunded)	458.53	390.65
Other Retirement Obligations	3,026.00	-
<b>TOTAL</b>	<b>5,223.41</b>	<b>495.95</b>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
From Bank		
Secured	9,296.53	8,060.39
Unsecured	5,388.66	15,000.00
	<b>14,685.19</b>	<b>23,060.39</b>
From Other Parties		
Unsecured	6,122.45	1,500.00
	<b>6,122.45</b>	<b>1,500.00</b>
<b>Other Loans and advances</b>		
Secured	482.85	-
	<b>482.85</b>	<b>-</b>
<b>TOTAL</b>	<b>21,290.49</b>	<b>24,560.39</b>
<b>Note No. 9</b>		
<b>TRADE PAYABLE</b>		
Sundry Creditors	79,407.66	36,323.94
Creditor for Expenses	1,704.79	10,637.96
<b>TOTAL</b>	<b>81,112.45</b>	<b>46,961.90</b>
<b>Note No. 10</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term debt	78,171.63	57,297.10
Current maturities of Finance lease obligations	366.32	-
Interest accrued but not due on borrowings	2,618.77	443.00
Interest accrued but due on borrowings	-	19.79
Unpaid dividends	179.33	148.86
Advance from Customer	6,744.34	5,631.84
Other Liabilites	39,866.83	27,078.89
<b>TOTAL</b>	<b>127,947.22</b>	<b>90,619.48</b>
<b>Note No. 11</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
For Gratuity	82.94	212.56
For Leave Encashment	97.07	-
For Other Retirement Benefit	857.57	-
For Bonus	2,969.94	0.55
	<b>4,007.52</b>	<b>213.11</b>
<b>Others</b>		
For Current Tax (net)	400.94	51.99
For Onerous Contract	662.65	-
For Proposed dividends	887.89	1,123.32
For Tax on Proposed Dividend	144.04	764.90
For Others	220.04	1.05
	<b>2,315.56</b>	<b>1,941.26</b>
<b>TOTAL</b>	<b>6,323.08</b>	<b>2,154.37</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 12

### TANGIBLE AND INTANGIBLE ASSETS

PARTICULARS	TANGIBLE ASSETS							INTANGIBLE ASSETS			TOTAL	TOTAL PREVIOUS YEAR		
	FREEHOLD LAND	LEASEHOLD LAND	BUILDINGS (INCLUDING ROADS)	PLANT AND MACHINERY	RAILWAY SIDINGS	MINE EXPLORATIONS & DEVELOPMENTS	FURNITURE & OFFICE EQUIPMENTS	TRANSPORT EQUIPMENTS	GOODWILL	OTHER INTANGIBLE ASSETS			GOODWILL ON CONSOLIDATION	
<b>GROSS BLOCK</b>														
As at 1st April, 2011	1,964.51	178.36	17,389.50	240,025.92	2,965.17	4,392.56	1,579.13	423.26	77.70	2,111.85	66,355.93	<b>337,463.89</b>	297,211.10	
Additions during the year	21,272.42	1,692.36	18,097.13	208,860.26	-	1,780.51	1,587.85	114.40	-	18,342.53	8,512.01	<b>280,259.47</b>	45,746.29	
Sales/Transfers/ Adjustments during the year	4.91	-	19.92	1,365.19	-	-	18.39	0.45	-	0.55	-	<b>1,409.41</b>	1,544.09	
Foreign Currency Translation Reserve	587.85	92.53	2,221.39	14,823.79	-	875.27	77.93	11.21	11.71	1,382.09	5,662.92	<b>25,746.69</b>	(3,949.41)	
<b>Total as at 31st March, 2012</b>	<b>23,819.88</b>	<b>1,963.25</b>	<b>37,688.10</b>	<b>462,344.78</b>	<b>2,965.17</b>	<b>7,048.34</b>	<b>3,226.52</b>	<b>548.42</b>	<b>89.41</b>	<b>21,835.92</b>	<b>80,530.86</b>	<b>642,060.64</b>	<b>337,463.89</b>	
<b>DEPRECIATION AND AMORTISATION</b>														
As at 1st April, 2011	-	51.04	6,372.67	91,752.64	372.80	1,172.80	998.80	261.97	-	461.04	-	<b>101,443.76</b>	88,591.70	
Additions during the year	3,066.00	358.47	1,096.90	44,586.25	142.22	527.32	616.81	61.43	-	5,250.34	-	<b>55,705.74</b>	14,172.93	
On Sales/Transfers/ Adjustments during the year	-	-	4.25	1,356.60	-	-	11.11	0.24	-	-	-	<b>1,372.20</b>	1,140.29	
Foreign Currency Translation Reserve	155.00	18.00	212.97	3,807.98	-	196.19	38.00	0.17	-	307.53	-	<b>4,735.84</b>	(180.58)	
<b>Total as at 31st March, 2012</b>	<b>3,221.00</b>	<b>427.51</b>	<b>7,678.29</b>	<b>138,790.27</b>	<b>515.02</b>	<b>1,896.31</b>	<b>1,642.50</b>	<b>323.33</b>	<b>-</b>	<b>6,018.91</b>	<b>-</b>	<b>160,513.14</b>	<b>101,443.76</b>	
<b>NET BLOCK</b>														
As at 31st March, 2012	20,598.88	1,535.74	30,009.81	323,554.51	2,450.15	5,152.03	1,584.02	225.09	89.41	15,817.01	80,530.86	<b>481,547.50</b>	236,020.13	
As at 31st March, 2011	1,964.51	127.32	11,016.83	148,273.28	2,592.37	3,219.76	580.33	161.29	77.70	1,650.81	66,355.93	<b>236,020.13</b>		

#### Notes

- In BIL: Buildings include building of Rs. 198.05 Lakhs (Previous Year Rs. 198.05 lakhs) on leasehold land, transfer of lease yet to be completed.  
In BCL: Buildings include assets built on land not owned by BCL Rs. 398.02 Lakhs (Previous Year Rs. 398.02 Lakhs).
- In BCF LLC: Buildings consist of factory constructed on a land leased from Government of Dubai under lease agreement of 30 years expiring on December 2027 and renewable thereafter.  
In BCF LLC: Labour camp constructed on a land leased from Government of Dubai under lease agreement of 10 years expiring on July 2012 and renewable thereafter.  
In BCL Plant & Machinery includes assets built on land not owned by the Company Rs. 212.83 Lakhs (Previous Year Rs. Nil Lakhs).
- In BZL: Plant & Machinery (Written down value of Rs. 400.32 Lakhs and Original Cost of Rs. 475.93 Lakhs) which could not be fully used during the year due to operational /technical reasons, which are being brought to optimum operational levels.
- In BCL: Mine Explorations & Developments include expenses of Rs. 26.57 Lakhs incurred for development of new Mine area from which ores are not yet extracted.  
In GFH and its subsidiaries: The total expenditure incurred on landfill is included in Freehold Land and is amortised using unit of production method.
- Other Intangible Assets include Licenses, Trademark, Non Competition Fee, Geographical Investigation Expenses, Design Fee & Exploration, Land Use Rights, Computer Software etc..
- Additions during the year in 'Gross Block' and 'Depreciation and Amortisation' include the assets acquired during the year on acquisitions of subsidiaries.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 13</b>		
<b>NON CURRENT INVESTMENTS</b>		
Trade Investments		
<b>Long Term Investment</b>		
(Valued at Cost)		
Investments in Government or Trust securities		
NSC	0.03	0.03
PNB Gilts Ltd.	10.02	10.02
(Market Value Rs. 8,48,360/- (Previous Year Rs. 7,91,580/-)		
	<b>10.05</b>	10.05
<b>Non Trade</b>		
Investment in Equity Shares of Subsidiaries		
Advance for Investments in BCL Shares	38.87	-
Unquoted		
1,75,000 Equity Shares (Previous Year 1,75,000) in Kerala Enviro Infrastructure Limited	17.50	17.50
Quoted		
Nil (Previous Year 20,000,000 ordinary share of AUD 0.10 per share & 62,151,691 ordinary share of AUD 0.105 per share in Meridian Minerals Ltd. (Australia) Market Value as on March 31, 2011 is AUD 0.115 per share)	-	3,980.35
<b>TOTAL</b>	<b>66.42</b>	<b>4,007.90</b>
<b>Note No. 14</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured considered good</b>		
Capital Advances	14,853.71	24,859.95
Security Deposits	2,418.47	1,156.76
Loans and Advances to related parties	-	457.42
Others	2,886.30	3,402.00
<b>TOTAL</b>	<b>20,158.48</b>	<b>29,876.13</b>
<b>Note No. 15</b>		
<b>INVENTORIES</b>		
Raw Material and Packing Material	15,279.50	12,826.90
Work - In - Progress	631.44	346.58
Finished Goods	27,962.05	7,488.19
Stock in Transit	7.64	-
Stores and Spares parts and Fuel	16,886.97	14,408.50
Stores and Spares- in transit	19.52	29.68
Loose Tools	28.71	27.14
<b>TOTAL</b>	<b>60,815.83</b>	<b>35,126.99</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 16</b>		
<b>TRADE RECEIVABLES</b>		
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Unsecured, considered good	11,234.66	2,566.87
	<u>11,234.66</u>	<u>2,566.87</u>
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	2,065.68	1,478.16
Unsecured, considered doubtful	672.96	-
Less: Provision for doubtful debts	<u>(672.96)</u>	<u>-</u>
	2,065.68	1,478.16
<b>TOTAL</b>	<u><u>13,300.34</u></u>	<u><u>4,045.03</u></u>
<b>Note No. 17</b>		
<b>CASH &amp; BANK BALANCES</b>		
<b>Cash and Cash Equivalent</b>		
Balances with Banks :		
Current Accounts	25,850.23	29,763.80
Collection Accounts	3,867.81	-
Deposit Accounts	10,909.02	11,897.48
Cheques, drafts on hand	13.28	30.54
Cash on hand	26.09	24.29
	<u>40,666.43</u>	<u>41,716.11</u>
<b>Other Bank Balances</b>		
Dividend Accounts	160.19	132.40
Binani Cement Ltd.- Delisting Offer - 2011 Escrow Account	6,187.24	8,477.60
PNB Escrow Account	824.89	-
Bank Deposits with more than three months but less than 12 months	505.95	-
	<u>7,678.27</u>	<u>8,610.00</u>
<b>TOTAL</b>	<u><u>48,344.70</u></u>	<u><u>50,326.11</u></u>
<b>Note No. 18</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Loans and advances to related parties (Unsecured considered good)</b>		
<b>Others (Unsecured considered good)</b>		
Advances recoverable in cash or in kind	5,993.62	6,202.40
MAT Credit Entitlement	2,733.00	1,709.37
Advance Tax Including Tax deducted at Source	189.16	3,061.40
Fringe Benefit Tax (net)	11.83	15.02
Other Deposit	909.07	711.57
Balance with Customs and Excise Authorities	<u>7,263.50</u>	<u>4,317.72</u>
<b>TOTAL</b>	<u><u>17,100.18</u></u>	<u><u>16,017.48</u></u>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 19</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable	224.10	144.63
Insurance Claims Receivable	1,738.39	166.50
Assets held for disposal	312.57	13.36
Derivative Assets	559.99	-
<b>TOTAL</b>	<b>2,835.05</b>	<b>324.49</b>
<b>Note No. 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products / By Products / Services</b>		
Cement	249,597.03	205,946.50
Clinker	6,472.79	7,645.34
GGBFS	649.16	678.43
Unwrought Zinc	31,760.45	38,911.84
Aluminium & Zinc Alloys	7,777.18	2,336.67
Sulphuric Acid	2,927.71	2,367.99
Cadmium	75.96	125.21
Glass Fibre Products	32,268.13	11,664.41
Others	8,349.73	273.05
<b>Other operating revenues</b>	<b>2,425.69</b>	<b>3,506.11</b>
<b>TOTAL</b>	<b>342,303.83</b>	<b>273,455.55</b>
<b>Note No. 21</b>		
<b>OTHER INCOME / OTHER OPERATING INCOME</b>		
(refer note 29)		
Interest & Dividend Income	1,867.38	1,749.26
Realised Profit on Hedging	906.95	801.39
Other Misc. Income	8,136.07	2,970.45
<b>TOTAL</b>	<b>10,910.40</b>	<b>5,521.10</b>
<b>Note No. 22</b>		
<b>COST OF MATERIALS AND SERVICES CONSUMED</b>		
Limestone, Gypsum & Others	34,364.43	26,749.48
Zinc Concentrate/Oxides	26,080.67	26,822.11
Glass Fibre & Others	11,655.24	2,893.77
Construction Materials, Consumables and Other Services	4,513.28	-
Packing Materials	8,826.01	7,703.41
Freight on Stock in Trade	969.84	1,446.09
<b>TOTAL</b>	<b>86,409.47</b>	<b>65,614.86</b>

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Note No. 23</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	16,762.14	9,532.11
Contribution to Provident and other Funds	1,631.80	759.98
Workmen and Staff Welfare Expenses	864.90	654.10
<b>TOTAL</b>	<b>19,258.84</b>	<b>10,946.19</b>
<b>Note No. 24</b>		
<b>FINANCE COSTS</b>		
Interest expenses	30,539.65	17,717.50
Other borrowing costs	1,665.70	1,298.32
Loss on foreign currency transactions (net)	258.75	
<b>TOTAL</b>	<b>32,464.10</b>	<b>19,015.82</b>
<b>Note No. 25</b>		
<b>OTHER EXPENSES</b>		
Power & Fuel	74,225.40	61,576.87
Freight and Loading Expenses on Clinker Transfer	4,412.09	3,497.34
Consumption of Stores and Spares	8,475.31	7,295.19
Repairs and Maintenance		
Buildings	241.38	242.83
Plant and Machinery	3,376.07	2,627.04
Others	298.42	191.16
Other Operating Expenses	3,246.99	2,482.33
Rent	1,437.19	785.01
Insurance	871.61	593.82
Rates and Taxes	899.48	680.55
Advertisement and Sales Promotion	4,999.47	4,535.17
Directors Fee	8.23	12.95
Freight & Forwarding	47,390.63	43,347.67
Foreign Exchange fluctuation (Gain) / Loss (net)	2,865.37	[223.27]
Bad Debts written off	360.50	149.22
Commission to Selling Agents	4,256.23	3,614.15
Loss on sale / discard of Fixed Assets	468.44	321.65
Miscellaneous Expenses	14,058.52	6,390.00
<b>TOTAL</b>	<b>171,891.33</b>	<b>138,119.68</b>

**Note No. 26 ESTIMATED AMOUNTS OF CONTRACTS AND COMMITMENTS REMAINING TO BE EXECUTED AND NOT PROVIDED FOR (NET OF ADVANCES):**

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
The estimated amount of contracts and commitments remaining to be executed on capital account not provided for (Consolidated)	16,808.29	11,764.95

**Note No. 27 CONTINGENT LIABILITIES NOT PROVIDED FOR:-**

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
a. Claims against the Company not acknowledged as debts in respect of certain Income Tax matters and other matters Rs. 310.77 Lakhs paid (Previous Year 310.77 Lakhs)	6,635.80	6,206.14
b. Claims against the Company not acknowledged as debts in respect of other matters.	33.00	48.63

**Binani Industries Ltd.**

- (i) The Company has given Corporate Guarantees of Rs. 2,42,925 Lakhs (Previous Year Rs.82,483 Lakhs) to Financial Institutions and Banks in respect of loans to Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited and 3B group.(all subsidiaries of the Company)

**Binani Cement Limited**

- (i) The Company has imported fuel without payment of Customs Duty aggregating to Rs. 6.77 Lakhs (Previous Year Rs. 6.77 Lakhs) by utilizing transferable DEPB Licenses purchased from the market in the ordinary course of business. The Customs Department has issued show cause notice alleging that the original purchaser had obtained these licenses fraudulently. The above case is pending with Commissioner of Customs, Kandla. Company is hopeful of success as the Company is not at fault.
- (ii) Demands raised by Excise Department in various matters aggregating to Rs. 31.50 Lakhs (Previous Year Rs. 31.50 Lakhs) - (excluding applicable interest). Appeals are pending with various Appellate Authorities.
- (iii) Demands raised by Customs Department, Jamnagar in relation to import of coal made in earlier years aggregating to Rs. 30.61 Lakhs (Previous Year Rs. 30.61 Lakhs). The Company has filed Appeals before CESTAT, Mumbai. CESTAT Mumbai has set aside the order of the Appellate Commissioner with a direction that the appeal by the department against the Assistant Commissioner's orders should be heard denovo on merits by the Commissioner (Appeals). Now Department has filed an appeal before the Hon'ble High Court of Gujarat against the order of CESTAT.
- (iv) Demands raised by Excise Department in various matters in relation to Cenvat Credit of Service Tax Rs. 59.75 Lakhs (Previous Year Rs. 54.61 Lakhs). Appeals are pending with various Appellate Authorities. We have Reversed cenvat credit / paid Rs. 1.08 Lakhs (Previous Year Rs. 0.29 Lakhs) under protest.  
Commissioner, Central Excise, Jaipur issued a show cause notice disputing basis of Excise duty calculated for sales made to contractual buyers. We have paid duty accordingly before issuing of show cause notice. However Commissioner imposed penalty of Rs. 1 Lakh which is disputed by us on the ground that we have paid duty before issuing show cause notice, and an appeal has been filed before CESTAT and stay granted against recovery of penalty till disposal of appeal .  
Demands raised by Additional Commissioner Central Excise, Jaipur II in relation to Cenvat Credit of Excise Duty paid on Capital goods falling under Chapter 72, 73, 59, 69, 39 & 83 amounting to Rs. 34.70 Lakhs (Previous Year Rs. 34.70 Lakhs). The Company filed an appeal before Commissioner (Appeals), Jaipur II and same was rejected. Thereafter Company filed an appeal with CESTAT New Delhi and CESTAT has set aside the order and matter has been remanded back to the adjudicating authority to deal with the matter afresh in accordance with the provisions in law.
- (v) Demands raised for differential Custom duty by Customs Department, Jamnagar in relation to Bill of entry no. F-176 dt. 06.02.2009 of 24,104 MT for Indonesian coal imported in 2009-10, aggregating to Rs. 42.16 Lakhs (Previous Year Rs. Nil), on the ground of valuation of coal taking C & F value of coal @ \$ 154.34 PMT instead of \$ 86 PMT on which we have paid the customs duty i.e. the price finally agreed by the supplier as the coal supplied by the supplier was of inferior quality.



The Company filed appeal before the Commissioner of Customs (Appeals), Jamnagar but the same has been rejected. The company is in process of filing the appeal before CESTAT, Ahmedabad against the order of the Commissioner of Customs (Appeals), Jamnagar.

- (vi) Demands raised by Sales Tax Department aggregating to Rs. 70.21 Lakhs (Previous Year Rs. 70.21 Lakhs) contending that the Company has wrongly adjusted sales tax on account of trade discounts. The Company has filed a writ petition before Hon'ble High Court, Jodhpur and has also obtained an interim relief. Besides, the Sales Tax department has also issued demand notices relating to various matters aggregating to Rs. 0.50 Lakhs (Previous Year Rs. 10.70 Lakhs), which are being contested by the Company, including in appeal and is hopeful of success.
- (vii) Demands raised by U P Commercial Tax Department on account of entry tax on Cement for the year 2003 to 2008 aggregating to Rs. 169.36 Lakhs ( Previous Year Rs. 93.58 Lakhs), based on market price which was disputed by the Company before various appellate authorities on the ground that the Entry Tax is payable on stock transfer price. The Company has paid Rs. 36.29 Lakhs under protest
- (viii) Demand raised by Uttar Pradesh Commercial Taxes Department on account of entry tax Rs. 268.01 Lakhs based upon the market value of cement stock transfer. We have filed a writ before Hon'ble Allahabad High Court which was tagged with the writ tax no. 1484 of 2007 in the matter of ITC Limited vs. State of UP and others. Against the demand we have deposited Rs. 158.63 Lakhs based upon stock transfer price and provided Bank Guarantee of Rs. 109.38 Lakhs towards security against balance as directed by Hon'ble High Court . However the Hon'ble Allahabad High Court dismissed the writ tax no. 1484 of 2007 on 23.12.2011 and consequently our writ was also dismissed by the said order. Pursuant to order of the Hon'ble Allahabad High Court the Joint Commissioner (Corporate Circle), UP commercial taxes Ghaziabad has invoked the bank guarantee submitted by the Company and IDBI Bank made the payment of Rs.109.38 Lakhs against said Bank Guarantee to the Joint Commissioner (Corporate Circle), UP commercial taxes Ghaziabad by debiting our account with IDBI. The Company has file a SLP before Supreme Court against the order of Hon'ble Allahabad High Court. (Total amount deposited against the demand Rs. 268.01 Lakhs)
- (ix) Demand raised by Uttar Pradesh Commercial Taxes Department on account of penalty on late deposit of VAT amounting to Rs. 21.60 Lakhs (Previous Year Rs. 21.60 Lakhs). An Appeal has been filed with Additional Commissioner (Appeals), Commercial Taxes Department, Ghaziabad. We have deposited Rs. 12.96 Lakhs (Previous Year Rs. 12.96 Lakhs) under protest.
- (x) Joint Commissioner Commercial Taxes, Ghaziabad has imposed penalty of Rs. 1.32 Lakhs (Previous Year Rs. 1.32 Lakhs) on account of incomplete documents carried by Truck of Cement. We have deposited Rs. 1.32 Lakhs (Previous Year Rs. 1.32 Lakhs) under protest and filed an appeal before Additional Commissioner (Appeals), Commercial Taxes, Ghaziabad.
- (xi) Letter of Credit opened by banks on behalf of the Company Rs. 183 Lakhs (Previous Year Rs. 121.78 Lakhs)
- (xii) Guarantees given by Banks Rs. 371.90 Lakhs (Previous Year 483.14 Lakhs)
- (xiii) Corporate Guarantees given to Bank for Loans to wholly owned subsidiaries of Rs. 10,306 Lakhs (US \$ 20 Million) to Mukundan Holdings Limited (Previous Year 26,294.05 Lakhs), Rs. 9,404.23 Lakhs (US \$ 18.25 Million) to Murari Holdings Limited (Previous Year Rs. 10,946.45 Lakhs), Rs. 11,749.36 Lakhs (US \$ 22.80 Million) to Krishna Holdings (Previous Year Rs. 10,291.92 Lakhs), Rs. 20715 Lakhs (Euro 30 Million) to Binani Industries Limited, Holding Company and Rs. 156,684.69 Lakhs (US \$ 304.07 Million) to 3B Fibre Glass Company, Jointly and severally with Binani Industries Limited, Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited.
- (xiv) The Company has placed a purchase order for procurement of "Steam (Non Coking) coal and M/s Visa Comtrade A.G. supplied the same under five Bills of Lading. Party failed to provide us the original Bills of Lading. The owner of the Ship M/s Great Eastern Shipping Co. Limited has filed the suit against the Company for providing original Bills of Lading. We have informed that the balance amount due to them will be paid after adjustment of the losses and expenditure incurred / to be incurred by Binani Cement Limited till the time matter is finally resolved. The Company have incurred expenses of Rs. 503.79 Lakhs up to 31.03.2012 (upto Previous Year Rs. 171.21 Lakhs) to defend the suit filed by M/s Great Eastern Shipping Co. Limited and debited the same to the account of supplier as to be recovered from the party.
- (xv) Under the Rajasthan Finance Act, 2006, the Assessing Authority has assessed land tax on leasehold land for the year 2006-07, 2007-08 and 2008-09 and raised demand notices of Rs. 956.89 Lakhs. The matter was challenged by the Company in Hon'ble High Court, Jaipur. The Hon'ble Court has quashed the demand notices and the matter was remanded back to the assessing authority to reassess the land tax vide order dated 04.03.2011. The Company has deposited Rs. 48 Lakhs under protest as advance. The assessing authority has raised fresh demand notices in respect of 2009-10, 2010-11 & 2011-12 amounting Rs. 850.70 Lakhs, which are protested by the Company as the matter is subjudice.

(xvi) The Company has opted for Sales Tax Incentive Scheme, 1989. Earlier 25% incentive was allowed by State Level Screening Committee, but pursuant to order of Rajasthan Tax Board, 75% incentive from Sales Tax for sales effected in Rajasthan for 9 years subject to a limit of Eligible Fixed Capital Investment (EFCI) is being availed of. The Company has availed Sales Tax Incentive of Rs. 20,266.98 Lakhs upto 31st March, 2006. The Sales Tax Department filed a revision petition before the Hon'ble Rajasthan High Court, Jodhpur contesting the order of Rajasthan Tax Board, which allowed the Company to avail 75% sales tax incentive. The Hon'ble High Court has dismissed the revision petition of Sales Tax Department. The Department has filed a revision petition before Hon'ble Supreme Court. Pending the decision of the Supreme Court, no provision has been made for the differential Sales Tax Incentive of Rs. 13,327.19 Lakhs (excluding interest, if any) availed by the Company till 31st March, 2006.

However, on introduction of Value Added Tax (VAT) in the State of Rajasthan w.e.f 1st April, 2006, an option has been given to switch over to deferment scheme for twice the remaining validity period as available under the erstwhile Sales Tax Incentive Scheme, 1989 subject to the original limit of EFCI. The Company has exercised this option w.e.f 1st April, 2006 under which 75% of VAT collected and payable after the said date is being deferred for a period of 7 years. Till 26th May, 2007, Rs. 3,813.54 Lakhs was deferred and shown as Unsecured Loan.

During the year 2007-08, the Company has filed an application with Sales Tax department for extension of period of EFCI scheme, which was not accepted. The Company has filed a case with Hon'ble Jaipur High Court to instruct the Sales Tax department to extend the EFCI scheme period. However, the Company has continued to defer 75% of the VAT liability amounting to Rs. 3,967.09 Lakhs for the period 27th May, 2007 to 30th April, 2008.

Application for grant of sales tax incentive was filed to sanction the EFCI to the extent of Rs. 396.72 Crores, but the SLSC sanctioned Rs. 280.47 Crores in Nov. 2000, against which Company has requested vide letter dated 13.12.2000 to the SLSC for reviewing the amount of EFCI sanctioned, but no action was taken by the SLSC. A writ petition was filed during the year 2008-09 before the Hon'ble High Court, Jaipur bench, based on the fact that the SLSC has not replied to our review application within the time frame as per the the New Rajasthan Sales Tax Incentive Scheme, 1989 and the decision is pending for review till date, hence the Company has continued to avail the deferment benefit treated as deemed to be sanctioned. Further, the Company has made an application to the State Government / SLSC to revise the amount of EFCI from Rs. 396.72 Crores to Rs. 488.50 Crores based on applicable guidelines under the Incentive Scheme. The Company has continued to avail the deferment benefit, pending the decision of State Government / SLSC.

Accordingly the tax liability for the period 30th April, 2008 to 31st August, 2011 is Rs. 17,741.77 Lakhs against which we have deposited Rs. 399.21 Lakhs under protest as per the directions of the Hon'ble High Court. The matter is pending for decision before Hon'ble Rajasthan High Court / State Government.

(xvii) The Company has not deposited a sum of Rs. 1,185.30 Lakhs (Previous Year Rs. 811 Lakhs) net of Rs. 333.06 Lakhs paid under protest (Previous Year 258.88 Lakhs), on account of entry tax on goods under the Rajasthan Tax on Entry of Goods into Local Area Act, 1999 on notified goods purchased from outside the State from May 06. The Company has filed a writ petition on 10.07.2006 against the notice of C.T.O. special circle, Commercial Taxes Department., Pali for notice issued under Section 16(3) of the said "Act". The said petition was admitted by the Hon'ble Court and a stay was granted. Subsequently, the case was heard by Hon'ble High Court and passed an order that the stay shall remain continued on the condition that petitioner deposit the 50% of amount assessed and solvent security submit for the balance amount including interest, penalty etc. Accordingly, in compliance of the order, the entry tax of Rs. 333.06 Lakhs being 50% of assessed tax was deposited by the Company under protest and also submitted solvent security for the balance amount.

(xviii) The Company was selling Cement on inter-state sales @ 6% CST without "C" form u/s 8(5) of CST act as per notification no. F.4(1)FD/Tax Div./99-266 dated 21.01.2000. The State Government has amended certain notifications for requirement of "C" or "D" form in the earlier notifications issued prior to 11.05.2002 on 27.09.2005, which clearly establishes that prior to amendment in the notification, there was no requirement of 'C' forms unless the notifications are amended. The above referred notification dated 21.01.2000 was rescinded by the Rajasthan Government on 01.12.2006, hence it was in application upto 30.11.2006. The Assessing Authority has raised demand notices in respect of sale of cement @6% CST for the period 27.09.2005 onwards. The matter was challenged by us in Hon'ble Rajasthan High Court, Jodhpur. The case was heard on 10.01.2012 and stay has been granted by Hon'ble High Court against submission of bank guarantee for the demand amount. In compliance of Hon'ble High Court Order, the Company has submitted Bank Guarantees of Rs. 60.52 Lakhs to the Assessing Authority, Commercial Taxes Department, Pali.

## **Binani Cement Factory LLC.**

- (i) Contingent Liability on account of Banker's letters of guarantee Rs.37.78 Lakhs equivalent to AED 267,000 (Previous Year Rs. 36.24 Lakhs equivalent to AED 294,000).
- (ii) Letter of Credit opened by banks on behalf of the Company Rs.958.03 Lakhs equivalent to AED - 6,770,500 (Previous Year Rs. 1,069.70 Lakhs equivalent to AED - 2,361,120)
- (iii) The contractor for third line of plant and machinery has filed a case against the Company. Estimated amount of claim is Rs 1,020 Lakhs (AED 7,362,883) , the matter is under litigation in Dubai court of First Instance. In the current year liability provision of Rs. 1,015 Lakhs (AED 7,324,040) to the said contractor has been reversed against capital work in progress. If the matter is decided against the Company, building cost will increase by the said amount and payables to the contractor will increase by the same amount.

## **Binani Cement Factory (Mauritius) Limited**

Letters of credit of Rs. Nil equivalent to USD Nil.(Previous Year - Rs. 281.54 Lakhs equivalent to USD 697,790)

## **Binani Zinc Limited**

- (i) Letters of credit opened by banks on behalf of the Company amounts to Rs.7,822.00 Lakhs (Rs.4,451.45 Lakhs).

The Single Bench of the Hon'ble High Court of Kerala, had in December 2009, disposed the Company's Petition against the Order of the Appellate Authority (Dy. Chief Engineer KSEB) and quashed the order levying penalty for unauthorised additional load. Matter was remanded with a direction to take a decision afresh in accordance with Law considering the bonafide conduct of the Company. The Company had obtained all the necessary approvals as stipulated in the conditions of supply of KSEB and since there was no violation, the penal charges are not payable and hence no provision is considered necessary at this stage. The Company has also filed a further writ petition before the Division Bench, challenging that portion of the order, relating to remand which was heard and reserved for judgment. In respect of electricity charges payable for certain years in the prior period, KSEB had withdrawn the concessional tariff eligible for the Company as per a government notification, resulting in an additional liability for Rs.816.88 Lakhs for those years, which was provided for. The Company had taken up the matter before the Hon'ble High Court of Kerala, which was admitted. Since the matter remained as such for a long number of years, based on the legal advice obtained, the said amount of Rs.816.88 lakhs provided for, was considered no longer payable and written back in the accounts of the Company in the year 2003-04. Subsequently the Hon'ble Single Bench of the Kerala High Court disposed the Company's appeal with a direction to KSEB to reconsider the claim of the Company for concessional tariff for the earlier years. The Company filed a writ appeal before the Hon'ble Division Bench, praying that the claim of the Company to cancel the demand be allowed, which has been admitted and is pending disposal. The Company, as legally advised, is hopeful of a favorable decision on final settlement of the issues involved in the matter and hence no provision is made for the said amount, which is included under contingent liabilities.

- (ii) Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others amounts to Rs.46,559.40 Lakhs (Rs.519.54 Lakhs)

An unconditional and irrevocable Corporate Guarantee to EXIM Bank on behalf of the holding Company, Binani Industries Limited (BIL) in respect of a loan taken by BIL. (Accordingly, a first paripassu charge on fixed assets of the Company has been registered during the year.)

An unconditional and irrevocable Corporate Guarantee to IDBI Bank, Dubai in respect of loan availed by Glass Fibre Holding I S.a.r.l (Wholly owned subsidiary of BIL) and 3B Fibreglass Norway AS (Step down subsidiary of BIL)

## **BIL Infratech Limited**

Contingent Liability on account of Banker's Guarantee Rs. 2,112.17 Lakhs (Previous Year Rs. 45 Lakhs)

## **BT Composites Limited**

Contingent Liability on account of Banker's Guarantee Rs. 5.95 Lakhs (Previous Year Rs. 6.48 Lakhs)

## **Goa Glass Fibre Limited**

- (i) Bank Guarantee given in favour of Goa State Electricity Board Rs. 200 Lakhs as at 31st March, 2012 (Previous Year - Rs. 149.44 Lakhs).
- (ii) Bank Guarantee given in favour of GAIL Rs. 50 Lakhs as at 31st March, 2012 (Previous Year - Nil).

**Note No. 28****SECURED LOAN -****I BINANI INDUSTRIES LIMITED****a Export Import Bank of India - Foreign Currency Loan - Outstanding Rs.20,738.25 Lakhs (USD 40.245 Million) (Previous Year Rs. Nil ).**

The loan carries interest @ 6 Months LIBOR plus 800 bps p.a. The loan is repayable after 3 years from the date of drawdown, i.e. 8th December, 2011. In 4 equal semi annual instalments of USD 10.06 mio each.

The loan is secured against (a) pledge of 100% shares( pariassu charge) of Glass Fibre Holding I S.a.r.l.held by BIL ,(b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited, (c) second charge on the assets of 3B Group, (d) second charge on the pledge of 100% shares of 3B group, (e) pledge of 5% shares of Binani Cement Limited held by Binani Industries Limited on exclusive charge basis, (f) pariassu charge on the entire fixed assets of Binani Zinc Limited including immovable properties present and future, (g) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited and (h) the personal guarantee of the promoter director of the Company.

**b IFCI Ltd - Outstanding Rs. 35,000 Lakhs (Previous Year Rs. 35,000 Lakhs ).**

The Loan carries interest @ 13.25% p.a. The loan is repayable in 4 quarterly instalments of Rs.8,750 Lakhs each, after three years from the date of drawdown, i.e., 17th January, 2011.

The Loan is secured against pledge of 8,01,40,000 Equity Shares of Binani Cement Limited (BCL), post dated cheques issued for interest and principal repayment.

**c Syndicate Bank- Outstanding Rs. 5,652.17 Lakhs (Previous Year -Rs. 5,652.20 Lakhs)**

Loans carry interest @ 14% p.a. The loans are repayable in 23 equal monthly instalments of Rs. 217.39 Lakhs each from the date of drawdown's,i.e., 27th April, 2010 and 30th June, 2010 respectively.

Out of total outstanding - Rs. 434.81 Lakhs shown under Long term borrowing and Rs. 5,217.36 Lakhs shown under other current liabilities ( Refer note no 9).

**II Glass Fibre Holding I S.a.r.l. & Its Subsidiaries****a Glass Fibre Holding I S.a.r.l.**

IDBI Bank Limited - Outstanding Rs.1,56,380 Lakhs (USD 304.065 Mio)

(i) The Loan is secured against share charge over 100% shares of the target Company.

(ii) i) Charge over the Company current account , the Company DSRA account and the Company mandatory prepayment account, ii) Receivable pledge over right and interest in the acquisition agreement, iii) Charge over accounts located in Luxembourg, iv) Charge over the vendor preferred equity certificates.

**b Project Bird Holding I S.a.r.l**

Share charge over 100% of the shares in Project Bird Holding II S.a.r.l, ii)Charge over the target preferred equity certificates iii)First ranking charge over all bank accounts of the target company

**c Project Bird Holding II S.a.r.l**

Share charge over 100% of the shares in Project Bird Holding IIIB S.a.r.l, Share charge over 100% of the shares in Project Bird Holding IIIC S.a.r.l, Share charge over its entire shareholding in Tunfib, Share charge over its minority shareholding in 3B Belgium , First ranking bank account pledge over all bank accounts , Pledge over its right , title and interest in and to the metal alloy localised in Belgium and Norway , Mortgage over right, titles and interests in and to the alloys localised in Belgium, Real property mortgage over land and building etc , Pledge over rights and claims against 3B Belgium

**d Project Bird Holding III A S.a.r.l**

First ranking bank account pledge over all bank accounts

**e Project Bird Holding III B S.a.r.l**

Pledge over rights and claims against 3B Belgium (including royalties due under the IP licence to 3B Belgium) Pledge over the Owens Corning IP licenses and the intellectual property licensed therunder, First ranking bank account pledge over all/ bank Accounts, Share charge over its entire shares in 3B Norway, Share charge over its entire shareholding in 3B Belgium

**f Project Bird Holding III C S.a.r.l**

Share charge over 100% of the shares in Project Bird holding IIIA S.a.r.l, First ranking bank account pledge over all bank accounts

**g 3B Fibre Glass AS**

The Loan is secured by Charge over assets (bank accounts including the 3B Norway DSRA and the 3B Norway current account , insurance proceeds , operating assets , real property, trade receivables and payment for the purchase by 3B Belgium products manufactured by 3B Norway)

**h 3B-Fibreglass SPRL**

Real property mortgage over land and building etc, Real property mortgage mandate over land and building etc, Bank account pledge over all bank accounts held by 3B Belgium, Inventory pledge Business Pledge over the business of 3B Belgium, Receivable pledge over all receivables of 3B Belgium, including receivables under intra group arrangement, amount due from third party customers and insurance policies, pledge over intellectual property.

**III BINANI CEMENT LIMITED**

**A DEBENTURES**

- i) 11.95% (Reset Rate) Secured Redeemable Non Convertible Debentures (11.95%SRNCD) - Outstanding Rs. 875 Lakhs (Previous Year Rs. 2,041.67 Lakhs)

Secured by (a) a first charge created on the movable and immovable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan both present and future (except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank (b) exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Distt. Mehsana, Gujarat ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debentures Trustee(s) executed by the Company and (c) Corporate Guarantee of Binani Industries Limited (BIL).

The Debenture shall be redeemable in a period of 6 years in quarterly installments of Rs. 291.70 Lakhs, commencing from 31st March, 2007 and ending on 31st December, 2012.

- ii) 9.16% (Reset Rate) Secured Redeemable Non Convertible Debentures (11.99% SRNCD) - Outstanding Rs. Nil (Previous Year Rs. 333.33 Lakhs)

Secured by (a) a charge created on the movable and immovable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan both present and future (except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Limited ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank (b) exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Distt. Mehsana, Gujarat ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debentures Trustee(s) executed by the Company and (c) Corporate Guarantee of Binani Industries Limited(BIL).

The Debentures have been redeemed at par in a period of 5 years in quarterly installments commencing from 30th September, 2008 and ended on 30th June, 2011.

**B. TERM LOANS**

**i) Financial Institutions**

- a) Eksport Kredit Finansiering A/S - Foreign Currency Loans - Outstanding Rs. 1,766.47 Lakhs ( Previous Year Rs. 2,166.38 Lakhs)

Secured by (a) exclusive first charge on the assets imported from M/s. F.L.Smith, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered with EKF A/s. (b) Pari Passu charge on Trust and Retention account and (c) Corporate Guarantee of BIL. Loan repayable in 11 equal half yearly instalments of USD 6.86 Lakhs commencing from June 2009. Outstanding Amount USD 34.28 Lakhs and Interest @ 1.56% per annum.

## II) Banks

- a) IDBI Bank Limited (IDBI) - Term Loans - Outstanding Rs. 28,985.77 Lakhs (Previous Year Rs. 31,897.07 Lakhs)

Secured/to be secured (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. and of BIL both present and future (b) first charge by way of hypothecation on all movables of the Company at Binanigram, Pindwara, Sirohi in Rajasthan and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debentures Trustees(s)/Other Term Lenders as detailed in the respective loan agreement(s) deed(s) of hypothecation/debenture trust deed(s) executed by the Company except the assets i) imported from M/s F.L.Smith, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company ii) of 4th Cement Grinding Unit at Binanigram, Pindwara, Dist. Sirohi Rajasthan charged to Syndicate Bank (c) Corporate Guarantee of BIL and (d) Pari Passu charge on Trust & Retention Account. Term loans repayable in Rs. 4,911.31 Lakhs in FY 2012-13, Rs. 7,071.01 Lakhs in FY 2013-14, Rs. 5,571.01 Lakhs from FY 2014-15 to FY 2015-16, Rs. 2,615.96 Lakh for FY 2016-17, Rs. 2,290.92 Lakh for FY 2017-18 and Rs. 954.55 Lakh for FY 2018-19 and Interest ranging from 0% to 14.15% per annum.

- b) Syndicate Bank - Term Loan - Outstanding Rs. Nil (Previous Year Rs. 15,000 Lakhs)

Secured / to be secured by a) Corporate Guarantee of BIL b) Post dated cheques for repayment of Principal

- c) Syndicate Bank - Rupee Term Loan - Outstanding Rs. Nil (Previous Year Rs. 1,105.13 Lakhs)

Secured by (a) first Mortgage and exclusive charge created on immovable properties of first phase of 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW Thermal Power Plant, all associated equipments & shared facilities situated at Pindwara, Sirohi, Rajasthan and all goods & equipments forming part of the plant both present and future, (b) Secured by pari passu first mortgage and charge on underlying land and building for the first phase of 2X22.30 MW Captive Power Plant comprising of 1x22.30 MW Thermal Power Plant, associated equipments and shared facilities situated at Binanigram, Pindwara, Sirohi in Rajasthan both present and future, (c) pari passu charge on Trust and Retention Account and (d) Corporate Guarantee of BIL.

- d) Syndicate Bank - Term Loan - Outstanding Rs. 3,428.56 Lakhs (Previous Year Rs. 4,000 Lakhs)

Secured/to be secured by a) Exclusive first charge on Plant and Machinery, Equipments of 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan and b) pari passu first charge on the portion of land pertaining to the 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan. Loan repayable in 14 equal quarterly instalments of Rs. 285.72 Lakhs commencing from Dec. '11 and Interest rate @ 14% per annum.

- e) Syndicate Bank - Term Loan - Outstanding Rs. 7,500 Lakhs (Previous Year Rs. Nil)

Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW Captive Thermal Power Plant comprising of 1X22.30 MW Thermal Power Plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L. Smith, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank b) Post dated cheques for payment of principal & Interest and c) Personal Guarantee of Shri Braj Binani. Loan repayable in 8 equal quarterly instalments of Rs. 937.50 Lakhs commencing from June 2015 and Interest rate @ 13% per annum.

- f) Syndicate Bank - Rupee Term Loan - Outstanding Rs. 10,000 Lakhs (Previous Year Rs. Nil)  
Secured/to be secured by a) second charge on the Company's present and future fixed assets other than those which have been exclusively charged and mentioned in notes. Loan repayable in 5 yearly instalments (at the end of 1st and 2nd year Rs. 1,500 Lakhs each, at the end of 3rd and 4th year Rs. 2,500 lakhs each and of 5th year Rs. 2,000 Lakhs) commencing from Nov. 2012 and Interest rate @ 13% per annum.
- g) Yes Bank Ltd - Term Loan - Outstanding Rs. Nil (Previous Year Rs. 5,000 Lakhs)  
Secured by a) Corporate Guarantee of Binani Industries Limited b) subservient charge on movable assets of the Company c) Post dated cheques for Principal repayment.
- h) UCO Bank - Term Loan - Outstanding Rs. 6,000 Lakhs (Previous Year Rs. 6,000 Lakhs)  
Secured/to be secured by a) pari passu subservient hypothecation charge on the plant and machinery of the company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for repayment of Principal & Interest. Loan repayable in 4 equal quarterly instalments of Rs. 1,500 Lakhs commencing from June 2012 and Interest rate @ 12.75% per annum.
- i) Central Bank of India - Term Loan - Outstanding Rs. 5,000 Lakhs (Previous Year Rs. 5,000 Lakhs)  
Secured/to be secured by a) pari passu subservient hypothecation charge on the movable assets of the company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for repayment of Principal & Interest. Loan repayable in 2 equal quarterly instalments of Rs. 2,500 Lakhs commencing from December 2012 and Interest rate @ 13.90% per annum.
- j) State Bank of India - Term Loan - Outstanding Rs. 10,000 Lakhs (Previous Year Rs. 10,000 Lakhs)  
Secured/to be secured by a) Second pari passu charge on Fixed Assets of the Company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for repayment of Principal & Interest. Loan repayable in 3 quarterly instalments each of Rs. 3,000 Lakhs, 3,500 Lakhs and Rs. 3,500 Lakhs commencing from September 2012 and Interest rate @ 13% per annum.
- k) Punjab National Bank - Term Loan - Outstanding Rs. 5,000 Lakhs (Previous Year Rs. 5,000 Lakhs)  
Secured / to be secured by pari passu subservient hypothecation charge on the Fixed Assets of the Company other than those which have been exclusively charged and mentioned in notes. Loan repayable in 2 equal quarterly instalments of Rs. 2,500 lakhs commencing from October 2013 and Interest rate @ 11% per annum.
- l) Bank of Baroda - Term Loan - Outstanding Rs. 10,000 Lakhs (Previous Year Rs. 10,000 Lakhs)  
Secured/to be secured by a) Subservient charge on fixed assets of the Company both movable & immovable other than those which have been exclusively charged and mentioned in notes. Loan repayable in 4 equal quarterly instalments of Rs. 2,500 Lakhs commencing from December 2012 and Interest rate @ 13% per annum.
- m) Central Bank of India - Term Loan - Outstanding Rs. 18,000 Lakhs (Previous Year Rs. 5,000 Lakhs)  
Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2x22.30 MW Captive Thermal Power Plant comprising of 1x22.30 MW Thermal Power Plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company ) and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank . Loan repayable in 20 equal quarterly instalments of Rs. 1,000 Lakhs commencing from December 2011 and Interest rate @ 12.25% per annum.
- n) Yes Bank Limited - Term Loan - Outstanding Rs. 10,000 Lakhs ( Previous Year Rs. Nil)  
Secured/to be secured by a) Exclusive first charge on movable and immovable properties including land of first phase of 2x22.30 MW Captive Thermal Power Plant, comprising of 1x22.30 MW Power Plant, all associated equipments and shared facilities situated at Pindwara, Sirohi, Rajasthan and all goods and equipments forming part of the plant and on other such assets. b) post dated cheques. Loan repayable in 16 equal quarterly instalments of Rs. 625 Lakhs commencing from December 2012 and Interest rate @ 12.10% per annum.

- o) Bank of Baroda - Term Loan - Outstanding Rs. 7,500 Lakhs ( Previous Year Rs. Nil)

Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW Captive Thermal Power Plant comprising of 1X22.30 MW Thermal Power Plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smith, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank. Loan repayable in 8 equal quarterly instalments of Rs. 937.50 Lakhs commencing from January 2015 and Interest rate @ 13% per annum.

- p) Indian Overseas Bank - Term Loan - Outstanding Rs. 15,000 Lakhs ( Previous Year Rs. Nil)

Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW Captive Thermal Power Plant comprising of 1X22.30 MW Thermal Power Plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smith, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank. Loan repayable in 8 equal quarterly instalments of Rs. 1,875 Lakhs commencing from June 2015 and Interest rate @ 13.50% per annum.

- q) Ratnakar Bank - Term Loan - Outstanding Rs. 3,600 Lakhs (Previous Year Rs. Nil)

Secured/to be secured by a) Subservient hypothecation charge on the entire current assets and movable fixed assets both present and future of the Company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for payment of principal. Loan repayable in 3 equal monthly instalments of Rs. 1,200 Lakhs commencing from January 2013 and Interest rate @ 12.75% per annum.

#### **C WORKING CAPITAL DEMAND LOANS / CASH CREDIT FROM BANKS**

Banks - Outstanding Rs. 3,183.28 Lakhs (Previous Year Rs. Nil)

Secured against (a) hypothecation of Raw Materials, Stock in Trade, Stock-in-Process, Finished Goods, Consumables, Stores & Spares and Packing Material, Book Debts and other receivables belonging to the Company, second charge on immovable properties of the Company and Corporate Guarantee of BIL and (b) pari passu charge on Trust and Retention Account.

#### **IV Mukundan Holdings Limited**

##### **TERM LOANS**

###### **-Bank**

Axis Bank : Outstanding Rs. - Nil (Previous Year Rs.17,321.67 Lakhs (US 38.25 Million))

Bank of Baroda Bank : Outstanding - Rs. 10,393.24 Lakhs (US \$ 20 Million) (Previous Year Rs. 9,057.08 Lakhs (US \$ 20.00 Million)).

The secured term facility is secured by a guarantee from Binani Cement Limited, India and all the shares in the capital of Mukundan Holdings Ltd and its associate Krishna Holdings Pte Ltd and its subsidiary Shangong Binani Rong An Cement Co. Limited.

#### **V Krishna Holdings Pte Limited**

##### **TERM LOANS**

###### **-Bank**

State Bank of India (HK) : Rs.11,848.81 Lakhs (USD 22,801.000) (Previous Year-Rs.10,325.52 Lakhs (USD 22,801,000)

The loan is secured by irrevocable and unconditional corporate guarantee of Binani Cement Limited, the Holding Company.

#### **VI Binani Cement Factory LLC**

Bank Borrowings

Trust receipts Rs. 1,443.10 Lakhs (AED 10,199,900) (Previous Year Rs. 1,294.16 Lakhs (AED 10,497,864))



The bank borrowings are secured by:

- Assignment of insurance policies on Stock and trade & other receivable
- Assignment of bank guarantees provided by customers and issued by reputed local banks.
- Undertaking to maintain own funds of AED 100 million.

## VII MURARI HOLDINGS LIMITED

### TERM LOANS

An analysis by bank of amounts outstanding is as follows:

Punjab National Bank: Rs. 2,858.14 Lakhs (USD 55,00,000) (Previous Year Rs.3,396.41 Lakhs (USD 75,00,000)

Bank of Baroda: Rs. 1,558.99 Lakhs (USD 3,000,000) (Previous Year Rs. 1,811.42 Lakhs (USD 4,000,000)

State Bank of India: Rs. 3,377.80 Lakhs (USD 6,500,000) (Previous Year Rs. 3,849.26 Lakhs (USD 85,00,000)

Syndicate Bank: Rs. 1,688.90 Lakhs (USD 3,250,000) (Previous Year Rs. 1,924.63 Lakhs (USD 42,500,000)

a) The loan are secured by :

- Corporate Guarantee of Binani Cement Limited,
- Pledging of 100% shares of the Company (held by Binani Cement Limited),
- A negative lien on the assets of the Binani Cement Factory LLC, Dubai.
- Non disposal undertaking for the beneficial interest for 51% shares of Binani Cement Factory LLC, Dubai
- Non disposal undertaking for 49% shares of Binani Cement Factory LLC held by Mukundan Holdings Limited.

\*\* Interest amount of USD 47,387 (30.03.2011: USD43,699) due and payable up to 30th June 2011 (31st March 2011) on loan from PNB, Hong Kong and sufficient balance was maintained in current a/c with them to settle the interest. It is the bank's practice to debit the interest amount to the current a/c during the following month and hence the same can be deemed paid.

## VIII SHANDONG BINANI RONG'AN CEMENT COMPANY

Loan Outstanding Rs. 16,370 Lakhs (RMB 200,000,000) (Previous Year -Rs. 10,338.90 Lakhs (RMB 150,000,000)

The Loan is secured by Plant & Machinery and land purchased for 2nd Clinker Production Line

## IX GOA GLASS FIBRE LIMITED

### A. Long term borrowing

#### Rupee Term Loan from Bank

a) Vijaya Bank Limited – Outstanding Rs. 1,562.44 Lakhs (Previous Year Rs. 1,979.11 Lakhs)

"The Loan carries interest at BPLR plus 0.25% per annum. The loan is repayable in 24 quarterly installments of Rs. 104.16 Lakhs after a moratorium period of twelve month from the date of first disbursement i.e. 30th August, 2008. The loan is Secured by a) a first pari passu charge on the fixed assets of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) First charge by way of hypothecation of all movable including movable machinery, machinery spares, tools and accessories, present and future (except book debts) subject to charges created for securing the borrowings for working capital requirements from banks, and c) Corporate Guarantee of Binani Industries Limited.

b) Indian Overseas Bank - Outstanding Rs. 1,093.30 Lakhs (Previous Year Rs.1,718.50 Lakhs)

The Loan from carries interest at BPLR plus @ 1% per annum. The loan is repayable in 48 monthly installments of Rs. 52.10 Lakhs from the date of loan i.e. 22nd October, 2009. The loan is Secured by

a) A first pari passu charge on the land, building and plant and machinery of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) Second pari passu charge on the current assets of the Company on pari passu with other term lender. c) Corporate guarantee of Binani Industries Limited.

- c Central Bank of India - Outstanding Rs. 2,300.32 Lakhs (Previous Year Rs.NIL)

"Term Loan from Central Bank carries interest at BPLR plus 3.50% per annum. The loan is repayable in 16 quarterly installments of Rs. 146.50 Lakhs after a moratorium period of one year i.e. from 31st August, 2012. The loan is Secured by a) a first pari passu charge on the fixed assets of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) Exclusive first charge by way of hypothecation of Fixed assets acquired out of the loan i.e. 56 kgs of precious metals Platinum and Rhodium, winders and bushing transformers and other moveable fixed assets acquired for the projects."

#### B. Short term borrowing

- a Cash Credit from Punjab National Bank - Outstanding Rs. 1,291.41 Lakhs (Previous Year Rs. 706.26 Lakhs).

Secured by (a) Hypothecation of present and future stocks of raw materials, work-in-process, finished goods, consumables, stores and spares, book debts, outstanding decrees, money receivables, claims, securities, government subsidies, investment, right and other movable assets excluding bills purchased/ discounted by bank and bills against which advance has been paid which belong to the Company and (b) Second charge and mortgage on immovable properties of the Company situated at Village Colvale, Taluka Bardez, Goa, both present and future.

- b Bills Discounted with Punjab National Bank - Outstanding Rs. 299 Lakhs (Previous Year Rs.59.97 Lakhs).

Bill Discounting is secured by bills drawn on Letters of Credit issued by approved banks.

### X BINANI ZINC LIMITED

#### 1 TERM LOANS

##### -Bank

- a Balance Outstanding Rs.2,250 Lakhs (Previous year Rs.8,000 Lakhs)

Term Loans are secured by first paripassu charge on all movable and immovable fixed assets of the company, both present and future, repayable in seven quarterly instalments, the current maturities whereof is disclosed under Other Current Liabilities'

- b HSBC Australia - Outstanding Rs.4,180 Lakhs (Previous Year Rs.Nil)

The short term loan is repayable within a period of three months and is obtained based on a Stand-by Letter of Credit from HSBC (Australia), secured by pledge of Fixed Deposits by the subsidiary of the company, BZ Minerals (Australia) Pty. Limited

- c Cash Credit -Outstanding Rs. 83.66 Lakhs( Previous Year - Rs. Nil)

Cash Credit is secured by paripassu first charge by way of hypothecation of the whole of the Current Assets of the Company viz. stocks of raw materials, packing materials, stock in process, semi finished and finished goods, consumable stores and spares, Export / Local Is receivable, book debts, movable plant and machinery, stores and spares relating to the machinery and other movables belonging to the Company, both present and future, paripassu Second charge on the fixed assets of the Company located at Binanipuram, Kerala and Corporate Guarantee of Binani Industries Limited, the Holding Company.

**Note No. 29 OTHER INCOME (CONSOLIDATED )**

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
i) Profit from Hedging Transactions	906.95	801.39
ii) Interest & Dividend from Banks/ Others	1,867.38	1,749.26
iii) Profit on sale of Investments	1,504.10	8.00
iv) Profit on sale of Fixed Assets	0.93	12.70
v) Liability no longer required written back	258.02	655.91
vi) Scrap Sale / Industrial waste	1,012.18	1,033.89
vii) Subsidy income of SBRCC	1,655.75	-
viii) Insurance Claim	421.22	783.91
ix) Others	3,283.87	476.04
<b>TOTAL</b>	<b>10,910.40</b>	<b>5,521.10</b>

**Note No. 30** Other expenses in note no. 25 includes Rs. 25 Lakhs (Previous Year Rs. 25 Lakhs) donation, given to G D Binani Charitable Trust and Rs. 75 Lakhs (Previous Year Rs. 75 Lakhs) to G. D. Binani Charitable Foundation.

**Note No. 31 REMUNERATION TO AUDITORS**

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
For Audit Fees	121.31	45.27
For Taxation Matters	14.63	3.10
For Company Law matter	-	-
For other services	3.33	12.41
Reimbursement of expenses	1.85	1.28
<b>TOTAL</b>	<b>141.12</b>	<b>62.06</b>

**Note No. 32 DEFERRED TAX LIABILITY** of the Group as on March 31, 2012 comprises of the following (Consolidated) \*

(Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
<b>a) Deferred Tax Liability</b>		
Fixed Assets	49,219.09	23,700.04
Others	-	-
<b>TOTAL</b>	<b>49,219.09</b>	<b>23,700.04</b>

			(Rs. in Lakhs)	
Particulars	31st March, 2012	31st March, 2011		
<b>b) Deferred Tax Asset</b>				
Fixed Assets	(373.84)	-		
Unabsorbed losses and depreciation	(12,416.80)	(1,929.38)		
Disallowance under Income Tax Act, 1961	(1,821.42)	(1,977.01)		
Others	(3,696.56)	(730.00)		
<b>TOTAL</b>	<b>(18,308.62)</b>	<b>(4,636.39)</b>		
<b>Provision for Deferred Tax (net)</b>	<b>30,910.47</b>	<b>19,063.65</b>		
<b>Rounded off</b>	<b>30,910.00</b>	<b>19,064.00</b>		

**Note No. 33** Segmental Reporting as per Accounting Standard AS - 17 issued by The Institute of Chartered Accountants of India (Consolidated)

(Rs. in Lakhs)

Particulars	Zinc & by products	Cement	Glass Fibre	Unallocated	Sub Total	Less: Elimination	Total
Segment Revenue (net of Excise Duty)	44,138.91	230,066.74	32,285.25	8,930.41	315,421.31	-	315,421.31
	(41,126.43)	(191,816.43)	(11,157.01)	(638.65)	(244,738.51)	(-)	(244,738.51)
Inter-segment Revenue	61.35	2,143.61	-	19,039.96	21,244.92	21,244.92	-
	(38.52)	(-)	(-)	(8,384.18)	(8,422.69)	(-8,422.69)	(-)
Total revenue	44,200.26	232,210.35	32,285.25	27,970.37	336,666.23	21,244.92	315,421.31
	(41,164.94)	(191,816.43)	(11,157.01)	(9,022.82)	(253,161.20)	(-8,422.69)	(244,738.51)
Segment Result	-852.74	17,817.46	-3,840.55	8,759.77	21,883.93	(4,835.97)	17,047.96
	(888.34)	(15,660.49)	362.46	(4,481.43)	(20,667.80)	(-5,260.61)	(15,407.19)
Finance costs							32,464.10
							(18,792.55)
Income Taxes							1,132.99
							(-978.88)
Extraordinary Items							20.90
							(1,774.96)
Previous year adjustment and other impact							29.86
							(658.49)
Net Profit/Loss							-16,599.89
							(-4,839.93)
Segment Assets	38,625.36	386,666.09	256,712.64	133,242.17	815,246.26	140,191.04	675,055.22
	(43,702.95)	(321,205.72)	(18,533.59)	(87,630.62)	(471,072.87)	(59,966.12)	(411,106.75)

Particulars	Zinc & by products	Cement	Glass Fibre	Unallocated	Sub Total	Less: Elimination	Total
Total Assets	<b>38,625.36</b> (43,702.95)	<b>386,666.09</b> (321,205.72)	<b>256,712.64</b> (18,533.59)	<b>133,242.17</b> (87,630.62)	<b>815,246.26</b> (471,072.87)	<b>140,191.04</b> (59,966.12)	<b>675,055.22</b> (411,106.75)
Segment Liability	<b>23,951.81</b> (24,609.01)	<b>101,261.25</b> (78,477.76)	<b>45,368.91</b> (1,815.12)	<b>5,828.05</b> (2,213.00)	<b>176,410.03</b> (107,114.88)	<b>(604.39)</b> (-4,849.07)	<b>175,805.64</b> (102,265.81)
Total Liabilities	<b>23,951.81</b> (24,609.01)	<b>101,261.25</b> (78,477.76)	<b>45,368.91</b> (1,815.12)	<b>5,828.05</b> (2,213.00)	<b>176,410.03</b> (107,114.88)	<b>(604.39)</b> (-4,849.07)	<b>175,805.64</b> (102,265.81)
Capital Expenditure (net)	<b>759.89</b> (622.95)	<b>64,673.27</b> (43,110.50)	<b>163,249.33</b> (907.01)	<b>23,946.70</b> (3,847.67)	<b>252,629.19</b> (48,488.13)	- (-)	<b>252,629.19</b> (48,483.51)
Depreciation & Amortization	<b>904.02</b> (860.93)	<b>12,543.67</b> (11,757.03)	<b>4,077.22</b> (1,502.45)	<b>123.63</b> (52.52)	<b>17,648.53</b> (14,172.93)	- (-)	<b>17,648.53</b> (14,172.93)

Statement of Secondary Segment wise Sales & External Receivables

(Rs. in Lakhs)

Particulars	Within India	Out of India	Total
Segment Revenue	<b>263,331.71</b> (226,499.76)	<b>52,089.61</b> (18,238.78)	<b>315,421.31</b> (244,738.54)
Segment Assets	<b>288,111.57</b> (271,283.54)	<b>386,943.65</b> (139,823.21)	<b>675,055.22</b> (411,106.84)
Capital Expenditure (net)	<b>27,239.46</b> (11,824.04)	<b>225,389.73</b> (36,659.47)	<b>252,629.19</b> (48,483.51)

(Figures in bracket pertains to Previous Year)

**Notes:**

(i) Business Segments

The Company has considered "Business Segments" as the "Primary Segment" for disclosures which comprises of Zinc & by Products, Cement and Glass Fibre & its Products.

(ii) Geographical Segments

Geographical Segment is the "Secondary Segment" and location of its market i.e., "India" and "Out of India" have been used. Since sales out of India are made to many Countries without any significant difference in the value of supplies made to individual Countries, these have been aggregated under "Out of India".

(iii) Segment Revenue

Segment Revenue comprises of Sales and related Income that are directly identifiable with the segment.

(iv) Segment Expenses

Directly identifiable with the segment are charged to the respective segment.

(v) All the accounting policies adopted for the segment reporting are in line with those of Binani Industries Limited.

During the previous year the Company had entered into commodities futures contract transaction, the net result of which was accounted as per AS - 30 (Revised) and shown as profit from commodities futures under other income. Since the profit was less than 10% of total revenue of Company, it did not constitute a separate reportable segment.

### Note No. 34

#### a) Particulars of unhedged foreign currency exposure as at Balance Sheet date

##### (i) Binani Cement Limited

(Rs. in Lakhs)

Particulars	Currency	31st March, 2012	31st March, 2011
Outstanding Creditors for Coal	USD	8,003.00	(3,895.00)
Outstanding Creditors for Spares	DKK	-	(1.30)
Outstanding Creditors for Spares	USD	15.56	(-)

##### (ii) Goa Glass Fibre Limited

(Rs. in Lakhs)

Balances as on 31st March, 2012	Foreign Currency amount	Equivalent in Rupees in Lakhs
Import Trade Payable	USD	13.74
	USD	(-)
Import Trade Payable	EURO	100.02
	EURO	(81.54)
Import Trade Payable	GBP	0.15
	GBP	(-)
Export Trade Receivable	EURO	136.53
	EURO	(61.30)
Export Trade Receivable	GBP	-
	GBP	(70.14)
Export Trade Receivable	USD	17.16
	USD	(49.51)
Loans and Advances	USD	65.24
	USD	(0.52)
Loans and Advances	EURO	1.92
	EURO	(23.13)

##### (iii) Binani Zinc Limited

(Rs. in Lakhs)

Balances as on March 31st, 2012	Foreign Currency Amount	Equivalent in Rupees in Lakhs
Receivables	-	-
	(USD)	(102.44)
	AUD	103.28
	(AUD)	(21.03)
	-	-
	(Euro)	(3,817.28)
Trade Payables	USD	8,821.54
	(USD)	(7,855.17)

b) Binani Cement Limited - The details of forward contracts outstanding at the year end are as follows :-

Currency	Number of Contracts	Buy Amount	Purpose
USD	11	17,555,000	Creditors / FCL Payment

**Note No. 35 Related Party disclosure as per AS 18 issued under Accounting Standard Rules 2006.**

(a) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details below:

(Rs. in Lakhs)

Particulars	Companies Under Common ownership and or common management control	Enterprises where Key Management Personnel have got significant influence	Total
<b>Purchase of Materials</b>			
English India Clay Ltd		- (121.46)	- (121.46)
<b>Sale of Material</b>			
Ess Vee Alloys Pvt Ltd		- (53.30)	- (53.30)
<b>Interest Expenses</b>			
Kalpriksh Holding AG	- (30.83)	-	- (30.83)
Binani Metals Limited		- (10.54)	- (10.54)
<b>Freight Service Availed</b>			
Transnational Services Pte Ltd	- (699.93)		- (699.93)
<b>Royalty expenses to Golden Global Pte Ltd (Singapore Company), Assignee of Promotor</b>		<b>952.55</b> (-)	<b>952.55</b> (-)
<b>Service charges received</b>		<b>12.47</b>	<b>12.47</b>
Triton Trading Company Limited		(11.34)	(11.34)
<b>Payment towards Services received</b>			
Sambhaw Holdings Limited		<b>72.00</b> (64.50)	<b>72.00</b> (64.50)
Triton Trading Company Limited		<b>13.32</b> (8.63)	<b>13.32</b> (8.63)

Particulars	Companies Under Common ownership and or common management control	Enterprises where Key Management Personnel have got significant influence	Total
<b>Repayment of Loan / Advances</b>			
Kalpriksh Holding AG	-	-	-
	(2,884.50)	-	(2,884.50)
Ess Vee Alloys Pvt Ltd		-	-
		(26.39)	(26.39)
<b>Inter Corporate Deposits Repaid</b>			
Binani Metals Limited		-	-
		(200.00)	(200.00)
<b>Rent paid</b>			
Binani Metals Limited		<b>6.48</b>	<b>6.48</b>
(Excluding Service tax )		(6.36)	(6.36)
Others *		-	-
		(2.73)	(2.73)
Sambhaw Holdings Limited		<b>(-)</b>	<b>(-)</b>
		(1.50)	(1.50)
<b>Service charges paid for car usage</b>			
Binani Metals Limited		<b>172.28</b>	<b>172.28</b>
		(146.30)	(146.30)
<b>Sale of Investment</b>			
Ess Vee Alloys Pvt Ltd		-	-
		(31.00)	(31.00)
<b>Dividend Paid to Dharmik Commodeal Pvt Ltd</b>		<b>142.76</b>	<b>142.76</b>
		(-)	(-)
<b>Dividend Paid to Binani Metals Limited</b>		<b>(-)</b>	<b>(-)</b>
		(142.46)	(142.46)
<b>Donation</b>			
G D Binani Charitable Trust		<b>25.00</b>	<b>25.00</b>
		(25.00)	(25.00)
<b>G D Binani Charitable Foundation</b>		<b>75.00</b>	<b>75.00</b>
		(75.00)	(75.00)
<b>Due to Asian Industries Ltd</b>		<b>209.26</b>	<b>209.26</b>
		(0.18)	(0.18)



Particulars	Companies Under Common ownership and or common management control	Enterprises where Key Management Personnel have got significant influence	Total
Due to Woodshed Technologies LLC		- (21.02)	- (21.02)
Due to Golden Global Pte Ltd (Singapore Company ), Assignee of Promotor		952.55 (-)	952.55 (-)

\* A Partnership firm owned by certain officers / shareholders of CPI Binani Inc (USA).  
(Figures in bracket pertain to Previous Year)

**Note:**

- 1 The remuneration paid to key management personnel as disclosed vide note no. 21.
- 2 Names of related parties and description of relationship:
  - a) Key Management Personnel: Mr. Braj Binani, Mr. Sunil Sethy, Mr. Ibrahim Ali, Mr. S. Padmakumar Mr. V. Subramanian, and Mr. Sushil Bhattar, Mr. P. Acharya, Mr. I. C. Ahuja, Mr. S. S. Khandekar upto 31.12.2010.
  - b) Transactions with enterprises where Key Management Personnel have got significant influence: i) Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Co. Pvt. Ltd., Lexus Holding & Finance Private Limited, Miracle Securities Private Limited and G.D. Binani Charitable Foundation, ii) Mr. Sunil Sethy in Radix Technologies and iii) Mr. S.Padmakumar in English Indian Clays Ltd.
  - c) Company under common control ownership / and / or common management control : Transnational Trading Services Pte Limited, Transnational Trading, Kalpvriksh Holding AG., Woodshed Technologies LLC.

**Note No. 36 EMPLOYEE BENEFITS DISCLOSURE AS PER AS 15(REVISED) ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED):.**

- a) Defined benefit plans as per actuarial valuation on 31st March, 2012. [Rs. in Lakhs]

		Gratuity	
		31st March, 2012	31st March, 2011
<b>I</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended 31st March, 2012</b>		
1	Current Service Cost	142.35	121.04
2	Interest Cost	92.41	77.98
3	Employees Contributions	-	-
4	Expected return on plan assets	(95.71)	(86.89)
5	Net Actuarial (Gains) / Losses	72.60	(24.86)
6	Past Service Cost	-	0.03
7	Settlement Cost	-	-
8	Total Expenses	211.65	87.29
<b>II</b>	<b>Net Asset/ (Liability) recognised in the Balance Sheet as at 31 st March, 2012</b>		
1	Present value of Defined Benefit Obligation as at the end of the year	852.92	784.67
2	Fair value of plan assets as at the end of the year	1,272.58	1,187.40
3	Funded status [Surplus/(Deficit)]	30.80	87.65
4	Net asset/ (Liability) as at the end of the year	30.80	87.65

		Gratuity	
		31st March, 2012	31st March, 2011
<b>III</b>	<b>Change in obligation during the year ended 31st March, 2012</b>		
1	Present value of Defined Benefit Obligation at beginning of the year	1,106.10	1,071.19
2	Current Service Cost	142.35	121.04
3	Interest Cost	92.41	77.98
4	Settlement Cost	-	-
5	Past Service Cost	-	-
6	Employees Contributions	-	-
7	Actuarial (Gains) / Losses	70.92	(27.90)
8	Benefits Payments	(136.68)	(136.21)
9	Present value of Defined Benefit Obligation at end of the year	1,275.11	1,106.10

<b>IV</b>	<b>Change in Assets during the year ended 31st March, 2012</b>		
1	Plan assets at beginning of the year	1,187.40	1,086.53
2	Assets acquired on amalgamation in previous year	-	-
3	Expected return on plan assets	98.06	45.45
4	Contributions by Employer	127.61	140.78
5	Actual benefits paid	(136.69)	(136.21)
6	Actuarial Gains / (Losses)	(3.79)	7.71
7	Plan assets at end of the year	1,272.59	1,187.40
8	Actual return on plan assets	81.90	76.87

<b>V</b>	<b>The major categories of plan assets as a percentage of total plan</b>		
	Qualifying Insurance Policy	YES	YES
<b>VI</b>	<b>Actuarial Assumptions</b>		
	Discount Rate	8.5%	8.25%
	Salary Escalation	4%	4%

- b) Provision towards liability for Leave Encashment is made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability as on 31.03.2012 is Rs.405.62 Lakhs (Previous Year Rs. 304.61 Lakhs) based upon following assumptions.

Particular	31st March 2012
Discount Rate	8.5%
Salary Escalation	4%

- c) Defined Benefit Plans –Loyalty

In BZL, the Company has introduced a new scheme of payment of loyalty to employees with effect from 01st April 2011. Employees are eligible for loyalty payment on retirement, if they have rendered a minimum of 10 years of service at the Company. Loyalty plan is unfunded.

Since the plan was introduced during the year, there are no comparative figures for the previous year.

<b>(i) Actuarial Assumptions</b>	<b>31st March, 2012</b>
Discount Rate (per annum)	8.25 %
Salary escalation rate *	4 %
Mortality rate	LIC (1994-1996) rate

		(Rs. in Lakhs)
(ii)	<b>Reconciliation of present value of obligation:</b>	<b>31st March, 2012</b>
	Present value of obligation at beginning of the year	-
	Current Service Cost	8.68
	Interest Cost	0.36
	<b>Actuarial (gain)/loss</b>	<b>20.39</b>
	Benefits Paid	-
	Present value of obligation at end of the year	29.43

		(Rs. in Lakhs)
(ii)	<b>Reconciliation of present value of obligation:</b>	<b>31st March, 2012</b>
	Present value of obligation at end of the year	29.43
	Fair value of plan assets at end of the year	-
	Net (Asset)/liability recognized in Balance Sheet	29.43

		(Rs. in Lakhs)
(iii)	<b>Expenses recognised in the Statement of Profit and Loss:</b>	<b>31st March, 2012</b>
	Current Service Cost	8.68
	Interest Cost	0.36
	Expected return on plan assets	-
	Actuarial (gain) /loss recognised in the period	20.39
	Total expenses recognised in the Statement of Profit and Loss for the year	29.43

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

**Note No. 37 Consolidated Earning per share is calculated as follows :**

**A Basic and Diluted EPS before extraordinary items** (Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Net Profit after tax attributable to equity shareholder	(16,578.99)	(3,064.97)
Net Profit after tax before extraordinary item attributable to equity shareholder	(16,578.99)	(3,064.97)
Equity Shares outstanding as at the period end (in Nos.)	29,596,425.00	29,596,425.00
Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share	29,596,425.00	29,596,425.00
Nominal Value per Equity Share (in Rs.)	10.00	10.00
Earning Per Share (Basic and Diluted) (in Rs.)	(56.02)	(10.36)

**B Basic and Diluted EPS after extraordinary items** (Rs. in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Net Profit after tax attributable to equity shareholder	(16,578.99)	(3,064.97)
Less: Extraordinary Item	20.90	1,774.96
Net Profit after tax before extraordinary item attributable to equity shareholder	(16,599.89)	(4,839.93)
Equity Shares outstanding as at the period end (in Nos.)	29,596,425.00	29,596,425.00
Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share	29,596,425.00	29,596,425.00
Nominal Value per Equity Share (in Rs.)	10.00	10.00
Earning Per Share (Basic and Diluted) (in Rs.)	(56.09)	(16.35)

**Note No. 38** BCL : During 2010-11, the buy back of 1,45,00,000 equity shares of Rs.10 each, from the existing shareholders, on proportionate basis has been completed and the said Equity Shares have been extinguished on 26th August, 2010. The Equity Shares capital stands reduced to Rs.18,860 Lakhs effective from that date and the premium paid of Rs. 11,600 Lakhs has been reduced from the reserves & surplus of the Company.

**Note No. 39** During 2010-11, Binani Cement Limited has completed the Reverse Book Building process for voluntary delisting of its Equity Shares in terms of SEBI (Delisting of Equity Shares), Regulations, 2009. With a view to provide exit opportunity to the public shareholders of Binani Cement Limited under SEBI (Delisting of Equity Shares), Regulations, 2009, during the year the Company has purchased 2,501,823 number of shares of Binani Cement Limited from its public shareholders at a price of Rs. 90.00 per share valuing Rs. 2,251.64 Lakhs.

**Note No. 40** No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the books of accounts.

**Note No. 41** During the year, the incumbent Company Secretary resigned. The Company has made efforts to recruit the Company Secretary during the year. At the year end Company has issued appointment letter to a Company Secretary who has accepted the appointment and expected to join.

**Note No. 42** Previous year's figures have been regrouped / reclassified wherever necessary.

**Note No. 43** Till the year ended 31st March 2011, the company was using pre-revised schedule VI to the Companies Act 1956. for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company. The Company has reclassified Previous year's figures to confirm this year's classification. Except accounting for dividend on investment subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principal followed for preparation of financial Statements. However, it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**

Chartered Accountants  
Firm Registration No. 104746W

**JAYESH PARMAR**

Partner  
Membership No: 45375

Place : Mumbai  
Date : 21st April, 2012

**For and on behalf of Board of Directors**

**R. Venkiteswaran**  
Chief Financial Officer  
- Group Control Accounts

Place : Mumbai  
Date : 21st April, 2012

**Braj Binani**  
Chairman

**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
<b>Cash Flow From Operating Activities</b>		
<b>Net Profit Before Tax and before Prior period items</b>	(15,416.14)	(3,385.36)
Adjustments for:		
Depreciation / Amortization	17,648.53	14,172.93
Interest and Finance Charges	32,464.10	19,015.82
Exchange Fluctuation Unrealised	12,828.19	(332.75)
Sundry Balances written off / Liabilities no longer required written back & other income	360.50	(50.45)
Loss/(Profit) on sale/discard of Fixed Assets	468.44	308.77
Profit on sale of Investments	-	(43.34)
Profit on sale of Investments in Subsidiaries	-	(8.27)
Interest and Dividend Income	(1,867.38)	(1,802.60)
<b>Operating Profit Before Working Capital Changes</b>	46,486.24	27,874.75
Adjustments for:		
Inventories	(25,688.84)	1,060.35
Trade and Other Receivables	(12,462.83)	20,834.89
Trade and Other Payables	58,169.77	7,415.67
<b>Cash Generated from Operations</b>	66,504.34	57,185.65
Extra-ordinary Item	(20.90)	(1,774.94)
Direct Taxes Paid (including Fringe Benefit Tax) (Net)	(2,054.97)	(6,455.68)
<b>A Net Cash flow from Operating Activities</b>	64,428.47	48,955.03
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (including capital work - in progress)	(252,629.19)	(48,483.51)
Sale of Fixed Assets	37.21	85.52
Investment (including investment in Subsidiaries)	3,941.48	(33,033.84)
Sale of Investment in Subsidiaries	-	31.00
Other Advances / Assets	20,735.19	(4,779.64)
Decrease / (Increase) in restricted Deposits	931.73	(7,529.24)
Interest and Dividend Income Received	1,787.91	1,719.62
<b>B Net Cash Used in Investing Activities</b>	(225,195.67)	(91,990.09)
<b>Cash Flow from Financing Activities</b>		
Repayment of Borrowings	(74,141.71)	(31,082.99)
Proceeds of Borrowings	263,398.73	109,311.21
Trade deposits	817.75	272.58
Unsecured Loan from Subsidiaries & others	6.77	(423.52)
Interest & Finance Charges paid	(30,308.12)	(19,248.96)
Dividend Paid / Dividend Distribution Tax Paid	(825.82)	(4,559.71)

(Continued..)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012**

Particulars	(Rs. in Lakhs)	
	31st March, 2012	31st March, 2011
Buy Back of Shares	-	(13,050.00)
Proceeds / Repayment from Short Terms Borrowings (Net)	<b>(3,269.90)</b>	(5,000.00)
Increase in Reserves	<b>4,039.82</b>	775.96
<b>C Net Cash from Financing Activities</b>	<b>159,717.52</b>	36,994.57
<b>D Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,049.68)</b>	(6,040.49)
<b>E Opening Cash &amp; Cash Equivalents (Cash and Bank Balances)</b>	<b>41,716.11</b>	47,756.59
<b>(A+B+C)</b>		
<b>F Closing Cash &amp; Cash Equivalents (D+E)</b>	<b>40,666.43</b>	41,716.11
<b>(Cash and Bank Balances)</b>		

**Notes:-**

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS3) "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Previous year figures have been recast / regrouped wherever considered necessary.

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For KANU DOSHI ASSOCIATES**Chartered Accountants  
Firm Registration No. 104746W**JAYESH PARMAR**Partner  
Membership No: 45375Place : Mumbai  
Date : 21st April, 2012**For and on behalf of Board of Directors****R. Venkiteswaran**  
Chief Financial Officer  
- Group Control AccountsPlace : Mumbai  
Date : 21st April, 2012**Braj Binani**  
Chairman**Sunil Sethy**  
Executive Vice  
Chairman & Managing  
Director

Statement Pursuant to Section 212 (3) and 212(5) of the Companies Act, 1956 relating to Subsidiary / Stepdown Subsidiary Companies of Binani Industries Limited for the year ended 31st March 2012.

		(Amount in Lakhs)											
Sr. No	Name of the Subsidiary Company	Binani Cement Ltd. (BCL)	Binani Zinc Ltd. (BZL)	Goa Glass Fibre Ltd. (GGFL)	B.T.Composites Ltd. (BTCL)	Wada Industrial Estate Ltd. (WIEL)	Binani Ready Mix Concrete Ltd. (BRMC)	Binani Infratech Ltd. (Bintra)	Sankalp Holdings Ltd. (SHL)	BZ Minerals (Australia) Pty Ltd. (BZA)	RBC Minerals Industries Ltd. (RBG)	Binani Energy Pvt. Ltd. (BEPL)	Abhinav Holdings Ltd. (AHL)
1	Country of Incorporation	India	India	India	India	India	India	India	Cyprus	Australia	India	India	Cyprus
2	Financial year / period of the Subsidiary Company	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	January 1, 2011 to December 31, 2011	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	January 1, 2011 to December 31, 2011
3	Relation with Binani Industries Limited (BIL)	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BCL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BZL	Subsidiary of BZL	Subsidiary of BIL	Subsidiary of SHL
4 Information pursuant to Sec. 212 (3)													
A) Extent of the Holding Company's interest in the Subsidiary as at the end of the Financial Year / Period :													
	Number of Shares	181,686,001 Equity Shares of Rs. 10 each	60,788,138 Equity shares of Rs.10 each	74,177,389 Equity Shares of Rs.10 each	140,00,000 Equity Shares of Rs.10 each	5,90,007 Equity Shares of Rs.100 each	3,657,000 Shares of Rs.10 each	15,000,000 Shares of Rs.10 each	75,000 Ordinary Shares of € 1 each	85,25,929 Ordinary Shares of AUD 1 each	49,50,000 Equity Shares of Rs.10 each	10,000 Equity Shares of Rs.10 each	25,000 Ordinary Shares of € 1 each
	Number of Preference shares				5,00,000.4% Redeemable Non Cumulative Preference Shares of Rs.10 each								
	% of Share Holding (Excluding Preference Share Capital)	96.36 % held by BIL	89.90 % held by BIL	51 % held by BIL and 49% held by Glass Fibre Holding I Sarr.L.	100 % held by BIL	100 % held by BIL	100 % held by BCL	100% held by BIL	100 % held by BIL	100 % held by BZL	100 % held by BZL	100 % held by BIL	100 % held by SHL
B) Net aggregate amount of Profits / (Losses) of the subsidiary so far it concerns members of BIL, not dealt with in the standalone accounts of the company :													
	a) For the financial year / period of the subsidiary aforesaid (Rs. in Lakhs)	4,695.33	1,308.92	1,361.26	(154.82)	(21.05)	(348.97)	34.64	(5.26)	780.52	-	(0.32)	(5.24)
	b) For the previous financial year / period of the subsidiary since it became the holding company's subsidiary (Rs. in Lakhs)	38,504.83	449.02	(3,269.56)	(1,324.35)	(446.06)	(18.15)	(3.15)	(4.11)	(6.01)	-	2.47	(10.58)
5 Information pursuant to sec. 212 (5) (SEE NOTE 4)													

Statement Pursuant to Section 212 (3) and 212(5) of the Companies Act, 1956 relating to Subsidiary / Stepdown Subsidiary Companies of Binani Industries Limited for the year ended 31st March 2012.

(Amount in Lakhs)

Sr. No	Name of the Subsidiary Company	Country of Incorporation	Binani Infrastructure Mauritius Ltd. (BIML)	CPI Binani Inc. (CPI)	Krishna Holdings Pte. Ltd. (KHL)	Mukundan Holdings Ltd. (MHL)	Murari Holdings Ltd. (MUHL)	Swiss Merchandise Infrastructure Ltd. (Swiss)	Merit Plaza Ltd. (Merit)	Bhumi Resources (Singapore) Pte. Ltd. (Bhumi)	Binani Cement Factory LLC (BCF)	Shandong Binai Rong'An Cement Co. Ltd. (SRCC)	Binani Mineral Resources (Mangolia)	PT. Anggana Energy Resources (Angania)	
1			Mauritius	USA	Singapore	British Virgin Islands	British Virgin Islands	India	India	Singapore	United Arab Emirates	China	Singapore	Indonesia	
2	Financial year / period of the Subsidiary Company		April 1, 2011 to March 31, 2012	January 1, 2011 to December 31, 2011	January 1, 2011 to December 31, 2011	January 1, 2011 to December 31, 2011	January 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012	January 1, 2011 to December 31, 2011	January 1, 2011 to December 31, 2011	January 1, 2011 to December 31, 2011	June 17, 2011 to December 31, 2011	January 1, 2011 to December 31, 2011	
3	Relation with Binani Industries Limited (BIL)		Subsidiary of Bintra	Subsidiary of BIL	Subsidiary of BCL	Subsidiary of BCL	Subsidiary of BCL	Subsidiary of BCL	Subsidiary of BCL	Subsidiary of BCL	Subsidiary of MHL	Subsidiary of KHL	Subsidiary of KHL	Subsidiary of Bhumi	
4	Information pursuant to Sec. 212 (3)														
A)	Extent of the Holding Company's interest in the Subsidiary as at the end of the Financial Year / Period :														
	Number of Shares	1 Ordinary share of MUR 100 each	2,709,999 shares of the par value of \$ 0.99631 each	87,776,670 Shares of S\$60 1 each	34,600,000 Ordinary Shares of USD 1 each	45,000,000 Ordinary Shares of USD 1 each	50,000 Shares of Rs.10/- Each	50,000 Shares of Rs.10/- Each	50,000 Shares of Rs.10/- Each	31,943 Shares of AED 1,000 each	1,50,00,000 Ordinary Shares of USD 1 each	31,943 Shares of AED 1,000 each	Share Capital is not divided into No. of Shares (Amount of Share Capital in Rmb 4,500 lakhs is equivalent to Rs. 38501.55 lakhs)	Share Capital is not divided into No. of Shares (MNT 125,864,000 which is equivalent to Rs. 49.46 Lakhs)	6,00,000 Shares of IDR 9,680 each
	Number of Preference shares			9,631,838 Shares of S\$60 1 each											
	% of Share Holding (Excluding Preference Share Capital)	100% held by Bintra	100% held by BIL	55.54% held by BCL balance 44.46% held by MHL	100% Held By BCL	100% Held By BCL	100% Held By BCL	100% Held By BCL	100% Held By BCL	100% Held By BCL	49% held by MHL / 51% held by MUHL (Beneficial Interest)	90.00% held by KHL	100% held by KHL	100% held by Bhumi	
B)	Net aggregate amount of Profits / (Losses) of the subsidiary so far it concerns members of BCL, not dealt with in the standalone accounts of the company :														
a)	For the financial year / period of the subsidiary aforesaid (Rs. in Lakhs)	2.06	583.77	105.56	(1,522.18)	(608.28)	3.27	(1.13)	16.58	(3,279.42)	786.06	6.60	19.92		
b)	For the previous financial year / period of the subsidiary since it became the holding company's subsidiary (Rs. in Lakhs)	2.42	-	27.95	(1,856.82)	(897.74)	(0.44)	(0.31)	0.63	(702.35)	435.58	-	36.80		
5	Information pursuant to sec. 212 (5) (See Note 4)														

Notes

- BCF LLC had incorporated five companies viz Weighbridge Investments (Pty) Limited (Botswana), Christo Schutte Investments Number Nine (Pty) Limited (Namibia), Rightside Investments Pty Limited (Republic of South Africa), TransAfrica Cement Limited (Mauritius) and Binani Cimentos (Mozambique) LDA on 16th March 2011, 22nd March 2011, 10th May 2011, 1st June, 2011 and 20th June, 2011 respectively. Their first accounting period would be from the date of incorporation to 31st December 2012. However, their unaudited financial statements from the date of incorporation to 31st March, 2012 have been considered for consolidation.
- Further, in respect of the following subsidiaries of BCF LLC viz Binani Cement Factory (SEZ) Limited (Republic of Sudan), Binani Cement Factory (Mauritius) Limited, Binani Cement Company Limited (Sudan) and Binani Cement Company Limited (South Sudan), their unaudited accounts for the 12 months / period ended on 31st March, 2012 have been considered for consolidation.
- On 8th September 2011, the Company has incorporated Glass Fibre Holding I S.a.r.l. (GFH) (formerly known as BIL - Holding I S.a.r.l.) (Luxembourg), BIL - Holding II S.a.r.l. (Luxembourg) and BIL - Holding III S.a.r.l. (Luxembourg). On 1st February 2012 GFH has acquired 100% Equity Shares and Convertible Preferred Equity Certificates in Project Bird Holding S.a.r.l. (PBH), the ultimate Holding Company of Project Bird Holding II S.a.r.l. (PBH II) (Luxembourg), Project Bird Holding III S.a.r.l. (PBH III) (Luxembourg), TunFib S.a.r.l. (Tunisia) (66.67% holding), Project Bird Holding IV S.a.r.l. (PBH IV) (Luxembourg), Project Bird Holding V S.a.r.l. (PBH V) (Luxembourg), 3B-Fireglass SPRL (Belgium) and 3B-Fireglass AS (Norway). The first accounting period of GFH is from date of incorporation to 31st March 2012 and the first accounting period of its above named subsidiaries post acquisition would end on 31st December 2012. However, the unaudited financial statements of all the above companies from the date of incorporation / acquisition till 31st March, 2012 have been considered for consolidation.
- Binani Zinc Limited had incorporated a company BZ Minerals (Luxembourg) (BZM) on 09th January 2012. The first accounting period of BZM would be from the date of incorporation to 31st December 2012. However, its unaudited financial statements from the date of incorporation to 31st March, 2012 have been considered for consolidation.

During the current year, the financial statements of subsidiaries including step down subsidiaries (whose accounting year/period ended on 31st December 2011) for their respective period ended 31st March, 2012 have been considered for consolidation with the Company's financial statements for the year ended on the same date. Hence information required to be provided pursuant to sec. 212 (5) is not applicable.

For and on behalf of the Board of Directors

**Braj Binani**  
Chairman

**R. Venkiteswaran**  
Chief Financial Officer -  
Group Control Accounts

**Sunil Sethy**  
Executive Vice Chairman &  
Managing Director



**SUMMARISED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES OF THE COMPANY IN COMPLIANCE WITH THE GENERAL EXEMPTION GRANTED BY THE MINISTRY OF COMPANY AFFAIRS UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956.**

Sr. No	Name of the Subsidiary Company	Country of Incorporation	Relationship	Financial year / period ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments (except investment in subsidiaries)	Turnover excluding other income	Profit/(Loss) before Taxation	Profit/(Loss) after prior period items	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	Binani Cement Ltd. (BCL)	India	Subsidiary of BIL	31-Mar-2012	INR	8,860.38	5,825.77	320,712.93	56,026.78	-	202,781.13	5,315.16	5,315.16	475.37	4,839.79	-
2	Binani Zinc Ltd. (BZL)	India	Subsidiary of BIL	31-Mar-2012	INR	6,761.81	(966.49)	36,100.76	30,295.44	17.50	39,891.87	(1,709.08)	(1,709.08)	(263.12)	(1,455.96)	-
3	Goa Glass Fibre Ltd. (GGFL)	India	Subsidiary of BIL	31-Mar-2012	INR	7,417.74	4,605.82	14,222.21	11,410.29	-	9,945.99	(1,325.78)	(1,355.64)	5.49	(1,331.27)	-
4	B.T.Composites Ltd. (BTCL)	India	Subsidiary of BIL	31-Mar-2012	INR	1,450.00	1,454.16	607.04	611.20	10.02	591.70	(154.82)	(154.82)	-	(154.82)	-
5	Wada Industrial Estate Ltd. (WIEL)	India	Subsidiary of BIL	31-Mar-2012	INR	590.01	(467.11)	263.40	130.50	-	-	(21.05)	(21.05)	-	(21.05)	-
6	Binani Ready Mix Concrete Ltd (BRMC)	India	Subsidiary of BCL	31-Mar-2012	INR	365.90	(367.11)	346.67	347.88	-	1,867.55	(348.97)	(348.97)	-	(348.97)	-
7	Binani InfraTech Ltd. (Binfra)	India	Subsidiary of BIL	31-Mar-2012	INR	1,500.00	31.49	6,490.30	4,958.81	-	6,445.16	48.73	48.73	14.09	34.64	-
8	Sankalp Holdings Ltd. (SHL)	Cyprus	Subsidiary of BIL	31-Dec-2011	USD	1.00	(0.41)	0.66	0.07	-	-	(0.11)	(0.11)	-	(0.11)	-
9	BZ Minerals (Australia) PTY LTD (BZA)	Australia	Subsidiary of BZL	31-Mar-2012	AUD	85.26	17.05	116.38	14.07	-	-	24.33	24.33	7.12	17.21	-
10	RBG Minerals Industries Ltd. (RBG)	India	Subsidiary of BZL	31-Mar-2012	INR	495.00	-	499.45	4.45	0.03	-	-	-	-	-	-
11	Binani Energy Pk. Ltd. (BEPL)	India	Subsidiary of BIL	31-Mar-2012	INR	1.00	2.15	3.24	0.09	-	-	(0.32)	(0.32)	-	(0.32)	-
12	Abhinav Holdings Ltd. (AHL)	Cyprus	Subsidiary of SHL	31-Dec-2011	USD	0.33	(0.33)	0.19	0.19	-	-	(0.11)	(0.11)	-	(0.11)	-
13	Binani Infrastructure Mauritius Ltd (BIML)	Mauritius	Subsidiary of Binfra	31-Mar-2012	MUR	0.00	2.86	14.81	11.95	-	33.67	1.45	1.45	0.22	1.23	-
14	CPI Binani Inc. (CPI)	USA	Subsidiary of BIL	31-Dec-2011	USD	35.60	(12.41)	115.65	92.46	-	56.82	2.44	2.44	0.38	2.06	-
15	Krishna Holdings Pte. Ltd.(KHL)	Singapore	Subsidiary of BCL	31-Dec-2011	USD	1,936.73	(675.14)	6,291.66	5,030.07	-	101.94	(23.78)	(23.78)	(8.41)	(15.37)	-
16	Mukundan Holdings Ltd. (MHL)	British Virgin Islands	Subsidiary of BCL	31-Dec-2011	USD	358.00	(72.66)	1,022.93	737.59	-	-	(35.58)	(35.58)	-	(35.58)	-
17	Muran Holdings Ltd. (MUHL)	British Virgin Islands	Subsidiary of BCL	31-Dec-2011	USD	470.00	(34.40)	800.28	364.68	-	-	(13.42)	(13.42)	-	(13.42)	-
18	Swiss Merchandise Infrastructure Limited (Swiss)	India	Subsidiary of BCL	31-Mar-2012	INR	25,569.22	(1,871.50)	43,537.45	19,839.73	-	-	(631.29)	(631.29)	-	(631.29)	-
19	Merit Plaza Limited (Merit)	India	Subsidiary of BCL	31-Mar-2012	INR	5.00	2.93	5,255.17	5,247.24	-	-	5.04	5.04	1.65	3.39	-
20	Bhumi Resources (Singapore) Pte. Ltd (Bhumi)	Singapore	Subsidiary of BCL	31-Dec-2011	USD	150.00	0.38	150.45	0.07	-	1.23	0.41	0.41	0.05	0.36	-
					INR	8,160.39	20.66	8,184.86	3.81	-	57.88	19.41	19.41	2.21	17.20	-

### SUMMARISED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES OF THE COMPANY IN COMPLIANCE WITH THE GENERAL EXEMPTION GRANTED BY THE MINISTRY OF COMPANY AFFAIRS UNDER SECTION 21(2) OF THE COMPANIES ACT, 1956.

Sr. No	Name of the Subsidiary Company	Country of Incorporation	Relationship	Financial year / period ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments (except investment in subsidiaries)	Turnover excluding other income	Profit/(Loss) before Taxation	Profit/(Loss) after prior period items	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
21	Binani Cement Factory LLC (BCF)	United Arab Emirates	Subsidiary of MHL & MUHL	31-Dec-2011	AED	319.43	567.70	2,266.86	1,379.73	-	654.45	(265.75)	(265.75)	-	(265.75)	-
22	Shandong Binani Rong-An Cement Co. Ltd. (SBRCC)	China	Subsidiary of KHL	31-Dec-2011	RMB	4,731.24	8,408.55	33,575.66	20,435.87	-	8,381.79	(3,403.48)	(3,403.48)	-	(3,403.48)	-
23	PT Anggana Energy Resources (Anggana)	Indonesia	Subsidiary of Bhumi Resources	31-Dec-2011	IDR	8,501.55	2,600.87	81,587.68	40,485.26	-	10,147.74	1,208.59	1,208.59	302.15	906.44	-
24	Binani Mineral Resources (Mongolia) LLC	Mongolia	Subsidiary of KHL	31-Dec-2011	MNT	327.78	68.23	2,014.81	1,618.80	-	60.72	20.67	20.67	-	20.67	-
					INR	1,298.64	183.27	1,491.03	49.12	-	348.76	203.64	203.64	20.36	183.28	-
					INR	49.72	7.24	58.90	1.94	-	13.04	7.62	7.62	0.76	6.86	-

#### Notes:

- Indian Rupees equivalent figures have been arrived at by applying the year / period end exchange rates prevailing on 31st December, 2011 / 31st March, 2012, for all Assets & Liabilities which are as follows: a) for SHL, AHL, KHL, MHL, MUHL, CPI & Bhumi 1 USD = Rs. 54.40, b) for SBRCC 1 RMB = Rs. 8.54, c) for BCF LLC 1 AED = Rs. 14.81, d) For PT Anggana Energy Resources 1 IDR = 0.0059, e) Binani Mineral Resources Mongolia 1 MNT = Rs.0.0395, f) BZ Australia 1 AUD = Rs.53.97, g) BML 1 MUR = 1.81. Revenue items are arrived by applying the average rates prevailing during the year / period which are as follows: a) for SHL, AHL, KHL, MHL, MUHL, CPI & Bhumi 1 USD = Rs. 47.04, b) for BCF 1 AED = Rs. 12.81, c) for SBRCC 1 RMB = Rs. 7.28, d) for PT Anggana Energy Resources 1 IDR = Rs. 0.0054, e) for Binani Mineral Resources Mongolia 1 MNT = Rs. 0.0374, f) for BZ Australia 1 AUD = Rs. 50.47 g) for BML 1 MUR = 1.89.
- BCF LLC had incorporated five companies viz Weighbridge Investments (Pty) Limited (Botswana), Christo Scutte Investments Number Nine (Pty) Limited (Namibia), Rightside Investments Pty Limited (Republic of South Africa), Trans Africa Cement Limited (Mauritius) and Binani Cimentos (Mozambique) LDA on 16th March 2011, 22nd March 2011, 10th May 2011, 1st June 2011 and 20th June 2011 respectively. Their first accounting period would be from the date of incorporation to 31st December, 2012. However, their unaudited financial statements from the date of incorporation to 31st March, 2012 have been considered for consolidation.
- On 9th September, 2011, the Company has incorporated Glass Fibre Holding I S.a.r.l. (GFH) formerly known as BL Holding I S.a.r.l. (Luxembourg), BL Holding II S.a.r.l. (Luxembourg), Project Bird Holding III C S.a.r.l. (PBH III C) (Luxembourg), TunFib S.a.r.l. (Tunisia) (66.67% holding), Project Bird Holding III A S.a.r.l. (PBH III A) (Luxembourg), Project Bird Holding II B S.a.r.l. (PBH II B) (Luxembourg), 3B-Fibreclass SPRL (Belgium) and 3B-Fibreclass AS (Norway). The first accounting period of GFH is from date of incorporation to 31st March 2012 and the first accounting period of its above named subsidiaries post acquisition would end on 31st December, 2012. However, the unaudited financial statements of all the above companies from the date of incorporation / acquisition till 31st March, 2012 have been considered for consolidation.
- Binani Zinc Limited had incorporated a company BZ Minerals (Luxembourg) (BZM) on 09th January, 2012. The first accounting period of BZM would be from the date of incorporation to 31st December, 2012. However, its unaudited financial statements from the date of incorporation to 31st March, 2012 have been considered for consolidation.

For and on behalf of the Board of Directors

**Braj Binani**  
Chairman

**Sunit Setty**  
Executive Vice Chairman &  
Managing Director

**R. Venkateswaran**  
Chief Financial Officer -  
Group Control Accounts

Place: Mumbai  
Date: 21st April, 2011

# Binani

## Binani Industries Limited

**Registered Office:** 37/2, Chinar Park, New Town, Rajarhat Main Road,  
P.O. Hatiara, Kolkata -700 157

### PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a Member/Members of **BINANI INDUSTRIES LIMITED** hereby appoint  
\_\_\_\_\_ in the district of \_\_\_\_\_ or failing him  
of \_\_\_\_\_  
in the district of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the  
**FORTY NINTH ANNUAL GENERAL MEETING** of the Company to be held  
at 12.30 p.m at Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020  
on Saturday, the 4th August 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature(s) of  
the Member(s)

Folio No. \_\_\_\_\_

DP: Id\* \_\_\_\_\_

Client Id\* \_\_\_\_\_

#### Note

- i) This Proxy Form must be deposited at the Registered Office of the Company, not later than 48 hours before the time of the meeting.
- ii) A Proxy need not be a member.

\*Applicable for Investors holding shares in Electronic Mode.

**Affix  
Revenue  
Stamp**

# Binani

## Binani Industries Limited

**Registered Office:** 37/2, Chinar Park, New Town, Rajarhat Main Road,  
P.O. Hatiara, Kolkata -700 157

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **FORTY NINTH ANNUAL GENERAL MEETING** held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 on Saturday, the 4<sup>th</sup> August 2012 at 12.30 p.m.

Name of the Member \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Folio No. \_\_\_\_\_

DPID\* \_\_\_\_\_ ClientId\* \_\_\_\_\_

Name of Proxy/Representative (in Block Letter)  
(To be filled in if the Proxy attends instead of the Member)

Signature of the Members of Proxy/Representative.

\* Applicable for Investors holding shares in Electronic Mode.

BOOK-POST



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